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THURSDAY, MAY 21, 1953

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- ★ Niagara Fire Insurance Company
- ★ The Fidelity and Casualty Company
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Fidelity-Phenix Fire Insurance Company

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The NATIONAL UNDERWRITER

57th Year, No. 21
May 21, 1953

The National Weekly Newspaper of Fire and Casualty Insurance

Iowa Agents Elect Cheyney President to Succeed E. L. Lane

Oppose Adjusting Companies Handling Claims for Direct Writing Companies

DES MOINES—Iowa Assn. of Insurance Agents went on record at its annual meeting here as opposed to the practice of Western Adjustment and Underwriters Adjusting adjusting claims for direct writing companies.

The resolutions adopted at the closing session included a resolution which stated the association "expressed itself as strongly opposed to the practice of adjusting claims for any direct writing insurance company which does not operate in accordance with the principles of the American agency system."

Paul H. Cheyney of Glenwood was elevated from vice-president to president to succeed E. L. Lane of Independence.

Robert A. Brown of Waterloo, a member of the executive committee, was named vice-president, Robert D. Cline of Des Moines was reelected treasurer and William C. Brunk of Ottumwa, a past president was re-named as state national director. Robert Dolezal of Carroll, a district director, was moved up to the executive committee. Charles J. Smith of Des Moines and J. Watt Wooldridge of Sioux City were reelected executive committeemen.

The adjustment question was brought into the open after Allen C. Guy, regional supervisor of Western Adjustment at Columbus, O., gave his talk on "Loss Adjustments and Public Relations". At the conclusion of his talk, when questions were entertained from the floor, one agent asked Mr. Guy why Western Adjustment took claims for Allstate and other direct writing firms. Mr. Guy said that so far as he knew Western Adjustment did not handle Allstate in Ohio and explained that "as long as agents represent the companies we must service them."

However, T. J. Hession, Des Moines manager for Western Adjustment, said his company did represent Allstate in Iowa but that it had to be because it could not discriminate against any company.

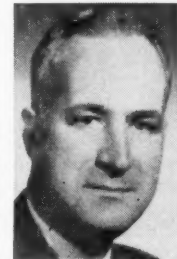
Another resolution adopted urged the members to insist upon a strict observation of the Iowa countersignature law and demand and secure proper countersignature commissions on Iowa business written outside the state.

Another resolution adopted asked Iowa Medical Assn. to assist in connection with alleged discriminatory practices by the Blue Cross and Blue Shield. The resolution pointed out that the medical association had solicited the assistance of the agents in its fight against socialized medicine and asked the medical association to help

(CONTINUED ON PAGE 30)

Winchester and Murphy to Higher Posts With G. A. B.

Philip M. Winchester has been elevated to assistant general manager of General Adjustment Bureau. He is succeeded as general manager of the eastern department by William T. Murphy.



William T. Murphy

Mr. Winchester started his career in 1920 at the home office of Boston. In 1921 he joined G.A.B. as a clerk at Philadelphia, but two years later he went with Phoenix of London at New York, and later was with Union of Canton in charge of the loss department. He returned to G.A.B. in 1926 as an adjuster at Newark. Mr. Winchester opened the Jersey City branch in 1932 and was manager there



P. M. WINCHESTER

for two years before returning to Newark as assistant manager. He became manager at Newark in 1939 and subsequently supervised all of the northern New Jersey offices. In 1943 he was appointed assistant general manager of the eastern department, becoming general manager in 1944.

He is a past Most Loyal Grand
(CONTINUED ON PAGE 32)

N.F.P.A. Holds Annual Gathering At Chicago

The National Fire Protection Assn. annual convention at Chicago this week again brought together many hundreds of men working unostentatiously but in a knowledgeable way in a common cause. There is an absence of oratory and of speeches and reports at this meeting that make headlines and hence the extent and the ramifications of these conventions are hard to appreciate by those who don't attend. The work is done in committee meetings, most of it between annual sessions and the points of difference on which these committees work are usually highly technical, and of the vital nature of thousands of hours of deliberation, research and discussion.

Allen L. Cobb of Eastman Kodak Co. was reelected president of N.F.P.A. The 1954 meeting will be held at Washington. The 1954 nominating committee consists of Howard F. Russell of White Plains, chairman; H. W. Gwinn of Chicago and Frank R. Midgough of Columbus.

The vice-presidents are T. Seddon Duke of Star Sprinkler Corp., and John Neale, chief engineer of National Board. Secretary is Hovey T. Freeman, president of Manufacturers Mutual Fire and chairman is Richard E. Vernor of Western Actuarial Bureau.

Named as directors for a three year term were E. Gaston of New York, A. Leslie Ham of Montreal, George J. Richardson of Washington, Joe R. Yockers of Los Angeles and U. C. Young of New York.

The Society of Fire Protection Engineers for the third successive year held its annual gathering during the week. This was in the form of a banquet. This is looming larger and larger as an important event and the association is gaining in prestige.

John A. Neale was elected president succeeding John J. Ahern, head of the department of fire protection and safety engineering of Illinois Institute of Technology. First vice-president is Elmer F. Reske, manager of Cook County Inspection Bureau; second vice-president James A. Hill, Union Oil of California and secretary, Robert S. Moulton of N.F.P.A. L. A. Vincent, general manager of National Board,
(CONTINUED ON PAGE 24)

Waco Suffers Badly from Underinsurance

Property Loss in Storm \$20 Million— Insurance \$7½ Million

General Adjustment Bureau now estimates the insurance loss in the Waco tornado of May 11 at about \$7½ million. The property loss, according to G.A.B., will run about \$20 million. G.A.B. was delayed in its efforts to convey an accurate picture of the situation to the companies because all public efforts for several days were concentrated on the human element in extricating those killed, numbering 113, and rendering aid to 600 persons that were seriously injured. There were more than seven inches of rainfall within 48 hours following the storm and it rained every day since for several days thus increasing the damage to building and contents that were exposed.

Some of the agents were unable to gain access to their offices and records, thereby slowing down the reporting of losses. On May 16 G.A.B. obtained passes from authorities to permit adjusters to enter the affected mercantile areas. Property loss in that area will be unusually severe and there will be a number of business interruption losses running into high figures. General Manager J. F. Miazza in his official report refers to the old Indian legend that the Waco area was considered immune from storms. This, he observes, may account for the lack of adequate coverage.

The Houston and Pacific Coast departments of G.A.B. sent 55 additional adjusters and a temporary office was opened at 1705 Austin Street under the supervision of George W. Jordan, assistant general manager and Tom Jones, storm supervisor.

THE NATIONAL UNDERWRITER got in touch with T. C. Fitzhugh, veteran local agent at Waco asking for his observations. He said that in spite of the fact that the Waco business district was under martial law and no one could enter without a police pass, the agents managed to secure passes and thus get the telephones answered and the files pulled and temporary offices were arranged for in the residential area. There were no offices of insurance agencies that were damaged and no personnel injured.

Mr. Fitzhugh said that the damage to fireproof buildings in the storm area was limited to glass. "After a man surveys an area such as this," he writes, "I cannot see how he would ever put up any other kind of building." Entire blocks in the business area were wiped out, these being mostly masonry. No construction except fireproof was immune from serious damage or utter destruction. However, one strong building of 1890 vintage, an old office building of five
(CONTINUED ON PAGE 24)

Late News Bulletins . . .

Calendar of Sessions for N. A. I. C. Coast Meeting

The calendar of meetings for the convention of National Assn. of Insurance Commissioners at the St. Francis hotel, San Francisco, June 8-12 has now been announced.

The morning of June 8 there will be three committee meetings starting at 9. One is that on auto rates by driver classification study with Mahoney of Maine as chairman. Then there is the one on credit A. & H. and credit life insurance study with Cheek of North
(CONTINUED ON PAGE 32)

Carolina as chairman and the subcommittee on security or insolvency funds with Bohlinger of New York as chairman.

At 10 a.m. there will be three more committee meetings, one on examination practice and procedure manual revision of which Russell O. Hooker of Connecticut is chairman; another on functions of assistant secretary office and methods of financing with Dickey of Oklahoma as chairman, and the
(CONTINUED ON PAGE 32)

Am. Auto Aims to Add \$5 Million to Resources

American Automobile has filed a registration statement with Securities and Exchange Commission concerning 125,000 shares of additional \$4 par value stock. This is going to be offered to stockholders on the basis of one share for each four shares now held. That will increase the number of shares from 500,000 to 625,000 and the capital will then become \$2½ million.

It is proposed to issue the additional shares of stock of record on a date about June 2. This will enable American Auto "to obtain a desirable increase in capital funds," President O. L. Schleyer said. Kidder, Peabody & Co., it is expected, will head a group of securities houses for the sale and public distribution of any unsubscribed shares.

Stock of American Auto on Monday was quoted at 44½-45½.

It is presently contemplated, according to Mr. Schleyer, that the subscription price will be "moderately" below the quoted market price at the time of the offering. That would indicate an intention to raise something like \$5 million.

Mr. Schleyer said the over-all improvement in underwriting results that developed in 1952 is continuing this year.

Hamilton to Aetna I.M. Post

George E. Hamilton has joined Aetna Fire group at San Francisco as marine superintendent. He has a background

of 19 years' experience as a company man and broker in the marine markets of both the Atlantic and Pacific Coasts. He will be associated with Henry S. Shafer, inland marine superintendent at San Francisco.

Robt. N. Lawson Is Advanced

Robert N. Lawson has been advanced by American Auto to superintendent of fire and inland marine claims at the head office. He is a graduate of Washington University and a member of the Missouri bar. He started in 1936 with Employers Mutual Liability as an adjuster and later worked for U. S. F. & G. He joined American Auto in 1944 at Detroit following two years in the army. Shortly thereafter he was transferred to the St. Louis branch and in 1945 was brought into the head office. For the past six years he has been supervising fire and inland marine claims.

J. C. Paige & Co., N.Y., Elects

Walter Beinecke has been elected chairman and chief executive officer of John C. Paige & Co., New York brokers. Waldo M. Hatch succeeds Mr. Beinecke as president. Leonard Dammann has been named vice-chairman. Gerald Henderson heads the executive committee. He and Mr. Hatch are partners of John C. Paige & Co. Boston.

Oscar P. Wennstroem was elected executive vice-president and treasurer; Franklin Marcell became vice-president and secretary; and Edward Koehlein was elected a vice-president.

S. F. Fire Engineers Organize

The San Francisco chapter of Society of Fire Protection Engineers, has been formed. Among those active in the organization are Loren S. Bush, chief engineer Pacific Board, and Herman H. Spaeth, Pacific Fire Rating Bureau.

Cal. Legislature Gives Goose Egg to Agents

California Assn. of Insurance Agents and cooperating producers' organizations, did not fare so well in the present session of the legislature.

The producers have been supporting strongly, with the added support of the insurance department, a bill to eliminate the certificate of convenience from the licensing law. The bill was opposed by Farmers Inter-Insurance Exchange group and their allies. It was defeated in committee in both houses—the assembly bill being killed by one vote. This was in spite of the strength of Assemblyman Thomas A. Maloney, veteran legislator, San Francisco broker, member of the insurance committee for years and father of Insurance Commissioner John R. Maloney.

The agents unsuccessfully opposed a bill to put into law rules governing the writing of group workmen's compensation insurance. A number of trade associations, including California Newspapers Publishers Assn., supported the bill. It included some provisions liberalizing the writing of such groups, including the general contractors organization—which at first opposed it. When an amendment was approved a week ago to include this group as O.K. for such a group the contractors withdrew their opposition. The insurance commissioner presented several amendments, but the bill went through with a "do pass" with one vote supporting the commissioner's suggestions. Another bill which would give the commissioner some regulation over dividends under participating compensation insurance as written by several California companies, has been defeated also. It was opposed by the California participating companies.

Names Five Vice-presidents

Niagara National, Inc., Buffalo general agency for American Casualty and Continental American Life, has elected its five western New York branch managers resident vice-presidents. They are Sidney Warne, Niagara Falls; Emory Marshall, Olean; Horace Hunt, Jamestown; Robert DeYoung, Batavia, and Fred W. Biggart, Castile.

Niagara National is planning branch offices in Elmira and Binghamton.

O.K. Uniform Bill for D. C.

WASHINGTON—The Senate District of Columbia committee has favorably reported the standard uniform individual A. & H bill, but with a number of amendments. Proposed by Superintendent Jordan and agreed to in advance by company representatives, they are designed to fit the standard bill into the framework of existing laws here, Mr. Jordan said. The bill amends the D. C. life insurance act.

Set Up Hoosier School

Indiana Assn. of Insurance Agents is holding a school at Indianapolis May 25-27. The subjects being covered are "How to Be a Better Agent" by Roy Duffus, prominent local agent at Rochester, N. Y.; "Office Procedure" by Richard J. Layton of Rough Notes Co.; "Approved Letter Writing Technique" by Miss Marguerite Lamoreaux; "Office Layout" by Robert J. Shaw-Walker Office Equipment Co. The registration fee is \$9 and the sessions are being held in the Indiana War Memorial. There will be a dinner May 26.

Lloyds New York has applied for license in California. Paul H. Seibert Co., Beverly Hills, is to be general agent for California.

Stellwagen New Head of Pa. Federation

Herbert P. Stellwagen, Philadelphia, executive vice-president Indemnity of North America was elected president of the Insurance Federation of Pennsylvania at the annual meeting in Philadelphia. First vice-president is Malcolm Adam, president Penn Mutual.

Others elected are: Vice-presidents Frank D. Buser, Samuel J. Carr, William B. Corey, Stanley Cowman, Theodore A. Engstrom, and J. Maxwell Smith, all of Philadelphia; H. H. Gilkyson, Jr., Coatsville, and William M. Guthrie, Harrisburg. Mr. Carr also was named treasurer.

Homer W. Teamer, Philadelphia, was reelected secretary-manager and general counsel, and Mary H. Fireng, Philadelphia, assistant secretary and office manager. John A. Diemand and Robert Dechert, both of Philadelphia, are chairman and vice-chairman respectively of the executive committee.

Zone 2 Men Have Tranquil Convention at Hershey

The zone 2 commissioners had a tranquil meeting at Hershey, Pa. Governor Fine of Pennsylvania spoke at the banquet and complimented the insurance people for their activities. Bowles of Virginia was reelected chairman.

In one of the sessions there was a discussion of multiple line underwriting. Superintendent Robinson of Ohio said the local agents in his state in his state were opposed to multiple line legislation for fear it would adversely affect commissions. A multiple line law just recently again failed to pass in Ohio. Roy McCullough of Empire expressed the belief there is no basis for such fear on the part of agents.

Commissioner Mills of West Virginia and Cheek of North Carolina raised some questions about assigned risk plans.

Mr. Mills said that a driver may due to a technicality be harshly treated under the assigned risk procedure. For instance, if he were charged with two offenses growing out of a single arrest, he would have to wait six months to get insurance yet, according to Mr. Mills he may as a matter of fact, be guilty of only one offense. For instance, he might be charged with drunken driving and reckless driving, all on account of the same incident. There was very little to take up and there seemed to be a good deal of sentiment in favor of reducing the zone 2 meetings to one a year following the example of zone 3.

Heads Agency Department

Chester W. Rima has been elected to head the group department of the new life and disability division of Dornberger & Co., general agents at Sioux Falls, S. D., for Continental Casualty and Continental Assurance. Mr. Rima has been doing field supervisory work for six years in the Iowa territory, most recently with the Blue Cross. Betty Schmidt will be in charge of the office and underwriting work in the new department.

Hamner Portland Manager

V. William Hamner, assistant manager automobile casualty department of Swett & Crawford, Los Angeles, has been appointed manager at Portland, Ore., succeeding Julius E. Finke, who has resigned as of July 1 after 27 years with the agency to become a partner in John H. Burgard & Co., Portland.

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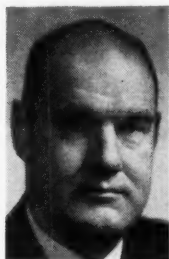
TORONTO
CHICAGO

Conick and Herd to Top National Board Posts

Harold C. Conick, general attorney of Royal-Liverpool, was elected president of National Board at its annual meeting in New York, succeeding John R. Cooney, president of Loyalty group. J. Victor Herd, executive vice-president of America Fore group, was named vice-president. Barry Truscott,



H. C. Conick



J. V. Herd

president of Camden Fire, was named secretary to succeed Peter J. Berry, head of Security of Connecticut, who has occupied the post for 11 years and declined renomination. Harold V. Smith, president of Home, was re-elected treasurer.

Mr. Berry, Kenneth E. Black of Home, Kenneth B. Hatch of Fire Association, J. C. Hullett of Hartford Fire, Everard P. Smith of Norwich Union, and John A. Newlands of Scottish Union were newly elected to the executive committee.

L. A. Vincent, general manager; H. A. Coumbe and Bruce Bielaski of New York and R. C. Stange of San Francisco were reelected assistant general managers.

The annual dinner, social event of the national insurance season, attracted a capacity crowd from over the country.

Insurance Society of K. C. Forms, Elects Governors

Ten members were elected to the board of governors of Insurance Society of Kansas City at the group's organizational meeting. They are: Robert A. Braddock, assistant manager R. B. Jones & Sons; Donald C. Brain, president, Kansas City chapter, C.P.C.U.; Jones O. Gill, superintendent Missouri Inspection Bureau; Robert E. Glass, regional supervisor Western Adjustment; W. Norwood Markham, district manager Liberty Mutual; Leonard Milstead, claims manager Equity Mutual; William J. Montgomery, manager Bruce Dodson & Co.; W. D. Neese, assistant secretary Central Surety; I.H.E. Otto, director University of Kansas City's insurance program, and Alex B. Young, special agent Hartford Fire.

Speaker was I. H. Wagner, secretary Business Men's Assurance, who described the workshop technique used by Insurance Accounting & Statistical Assn. One of the aims of the new society will be to stimulate interest of students contemplating insurance careers.

S. F. Old Timers Featured

The "old timers" of San Francisco Blue Goose—those who have held membership on 25 years or more, were the "featured" attractions at the May 18 luncheon meeting. Charles A. Craft, retired Pacific Coast manager of Phoenix of London, was toastmaster and presented 25-year membership pins to those recently qualified. Jay

W. Stevens, assistant manager of National Board, one of the first M.L.G.s of the pond and again serving in that capacity later was also given high praise for his years of service.

New officers will be elected and installed June 1.

Iowa Fire Assn., Pond Meetings

Iowa Fire Underwriters Assn. and Iowa State Fire Prevention Assn. will hold their annual meetings and election June 10-11. The Iowa pond of Blue Goose has planned its annual splash and election in Des Moines June 16.

Travelers Names Seven in Branch Office Changes

Assistant office managers appointed or transferred by Travelers include: A. R. Richardson, Houston, transferred to Hartford; W. J. Caughey, New Orleans, transferred to Houston; W. B. Ashworth, Houston, transferred to Hartford, succeeding F. N. Crane, retiring; L. H. Peterson, St. Paul, transferred to Houston, succeeding W. B. Ashworth; J. J. Young, administrative assistant at New Orleans, promoted; J. E. Brooks, administrative assistant

at San Francisco, promoted.

Two others named by the company are: F. L. Magee, field underwriter, Hartford, appointed senior field underwriter, and Miss Plessa Osborne, who has been appointed administrative assistant at Halifax.

Addressing Buffalo Assn. of Fire Underwriters on the problem of traffic control were Chief Judge John J. Ryan, Jr., of Buffalo city court; Hudson Hamm, Northwestern university traffic institute, and Robert J. Allen, chief traffic engineer, insurance industry committee on motor vehicle accidents.

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Can't Cut Wis. Auto Rates, Agents Told at Midyear Rally

Bureau Decision Leaves Competitive Thorn Intact

By CHARLES C. CLARKE

MADISON, WIS.—An unscheduled address provided the climactic moment and produced some long faces at the mid-year meeting here of Wisconsin Assn. of Insurance Agents at which members of the legislature were guests.

For some time now, Wisconsin agents, pointing to repeated lost accounts to direct auto writers, have been attempting to get National Bureau of Casualty Underwriters to roll back class I auto rates to those in effect prior to an increase last October.

Prospects for an immediate alleviation of the competition problem in this fashion were all but squelched in an announcement by Harry Fuller, mid-west manager of the bureau, who said that after close consideration bureau officials feel "nothing can be done about the rate situation at this time because experience does not warrant a change."

Mentioning that officers of the Wisconsin association have been "bombarding the bureau with complaints about auto rates, especially class I," Mr. Fuller said the problem was put before seven high bureau officials who looked into the situation "exhaustively."

Mr. Fuller said the bureau now has a four-man committee in the mid-west gathering data for deciding whether or not a refinement of auto classification is feasible. He added the bureau is giving this the urgent attention it deserves, "but it is unwilling to jump in and try something others are trying until it is proved feasible."

Mr. Fuller's words were received with deep disappointment. About mid-

(CONTINUED ON PAGE 16)

Record Crowd for AMA Insurance Conference in N. Y.

NEW YORK—The insurance conference of American Management Assn. has grown to be one of the big meetings of the year. The final registration at the one held here this week topped 1,000, a record by 150 or more over a year ago, and as many as 900 listened in on some sessions.

The meeting naturally proved attractive to the large brokerage houses, but there is also always a good representation of executives and underwriters from home offices in New York and vicinity. The brokerage contingent was well represented this year. Marsh & McLennan gave its customary cocktail party. Rollins-Burdick-Hunter was host at an invitation cocktail party and buffet. Alexander & Alexander, Johnson & Higgins, etc. maintained headquarters.

Riggs-Warfield-Roloson of Baltimore maintained headquarters, with Lawrason Riggs, E. Stuart Windsor, Charles A. Chow, and Robert C. Klein on hand.

Lumbermen's Mutual Casualty and American Motorists held their traditional breakfast with Norman C. Flanagan in charge. The attendance, as with the convention, was a new record.

One feature of the conference is the discussions that follow the talks. In the one on manufacturers output policy, discussed by Roy C. McCullough, manager of Multiple Peril Insurance Rating Org., he was asked why some insurers have withdrawn from Empiro. The withdrawal had nothing to do with the output policy, he replied, but concerned the activity of the rating organization in the homeowners' field and how fast or how slow that development should be.

In response to another question he said that property in transit is covered between points in the U. S., but not on shipments from east to west Coast by way of Panama Canal. Neither does the policy cover trucks not licensed for use on highway but employed on the

(CONTINUED ON PAGE 24)

C. S. Laidlaw to Be New Head of FCIC

Charles F. Laidlaw, president of Minnesota Farmers Mutual of Minneapolis, it has been learned, within a week will be named manager of Federal Crop Insurance Corp. He replaces C. B. FunderBurk, who has been acting manager and who will become a director. Mr. FunderBurk is general manager of Cotton Farmers Mutual of Atlanta. The other non-government director will be Richard J. Roth, manager of Crop-Hail Insurance Actuarial Assn. of Chicago.

Mr. Roth replaces James B. Cullison, Jr., retired manager of Rain & Hail Insurance Bureau, who has been on the FCIC board since 1948. Mr. FunderBurk will succeed Clarence W. Swanebeck of Pioneer Mutual of Lansing, Mich.

The two other directors of FCIC will be government employees. Prior to Mr. FunderBurk's appointment, a government man was manager of FCIC and there were two insurance men on the board.

Mr. FunderBurk, it is understood, has made a number of recommendations regarding FCIC reorganization, but they are not expected to be released until after disposition in the Congress of President Eisenhower's

Late Tuesday the department of agriculture announced these appointments as well as the two government board members, who are John H. Davis, director commodity marketing adjustment administration, to be chairman of FCIC, and Howard H. Gordon, administrator production and marketing administration. Secretary Benson expressed satisfaction with appointment of "experienced agricultural and insurance" men on the corporation board.

plan to reorganize the Department of Agriculture. It is understood he has not suggested any "gigantic" reorganization of FCIC.

The operations of FCIC have been under fire for some time from agents, and the appropriation for the corpora-

(CONTINUED ON PAGE 25)

Banks, Insurers Confer on Plans for Broader Cover

New Excess Blanket Bond for Small Banks at Lower Rate in Mill

The insurance and protective department of American Bankers Assn. reports that it has recommended to Surety Assn. of America that it develop a broad form of excess bankers blanket bond at rates lower than those presently charged for excess coverage, particularly to accommodate about 11,000 banks having deposits of less than \$7½ million. Also Surety Association has been asked to develop an optional clause to cover under blanket bond losses due to errors and omissions of banks through failure to obtain or renew fire and E. C. on mortgage property. The department says that a broad form of excess blanket bond is under study by Surety Assn. and a favorable report is hoped for.

At a conference with Surety Assn. representatives recently, according to the banking people, they expressed opposition to extending the securities forgery coverage under the present clause E. The surety people contended that since errors and omissions insurance is available from fire insurance companies, where it properly belongs, the surety companies prefer not to cover such risks under bankers blanket bonds.

After negotiations with National Bureau of Casualty Underwriters over a three year period a revised form of banks safe deposit box, burglary and robbery policy was practically agreed upon last summer, the bulletin stated. The bureau then decided to make available to banks a policy that would combine into one contract the coverages furnished by the comprehensive safe depository liability policy and the improved bank safe deposit box, burglary and robbery policy.

The bankers have been suggesting

(CONTINUED ON PAGE 25)

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Littlepage, Petersen, John Diemand, Jr., Are Veeped at N. A.

Charles F. Littlepage, V. I. G. Petersen and John A. Diemand, Jr., have been elected vice-presidents of North America.

Mr. Littlepage started with North America in 1944 as head of the general cover department. In 1948 he became assistant secretary and he has been assistant vice-president since 1950.

Mr. Petersen has been a North America man since 1933. He was manager of the Far East until 1944 when he became manager of the foreign department. He was elected foreign assistant secretary in 1946, foreign secretary in 1948 and assistant vice-president in 1952.

Mr. Diemand joined North America in 1937, became assistant reinsurance secretary in 1948, reinsurance secretary in 1950 and assistant vice-president in 1952.

Lechner General F. & C. New President.

Edward C. Lechner, who has been executive vice-president and chief operating officer of General Fire & Casualty since 1951, has now been elected president. The office of president has been vacant since the death of Levin Rank in April, 1951.



Edward C. Lechner

Milton H. Cassidy is promoted from assistant treasurer to treasurer.

Mr. Lechner, who is 39, joined the company in 1939 as office manager at Chicago when the name was General Transportation. After serving in the war as a navy officer he returned to the company as chief accountant at the head office. He became assistant treasurer in 1946 and treasurer later the same year. In 1949 he was elected vice-president and last November was named a director. He is a graduate of University of Illinois and also attended Loyola of Chicago.

Brokers' Directors Meet

The annual meeting of directors of National Assn. of Insurance Brokers was held in Los Angeles this week. Society of Insurance Brokers of San Francisco and Insurance Brokers Exchange of California were hosts at a dinner at the University Club, San Francisco, for officers and directors enroute to the meeting. Preceding the dinner the group was entertained by Hal D. Willson, San Francisco, a vice-president of the association, and Mrs. Willson.

Conference Honors Curtis

W. G. Curtis, retired president of National Casualty, has been named an honorary member of H.A. Underwriters Conference. His will be the sixth name added to the list that includes W. L. Clapp, Eastern Underwriter; Mrs. Harold R. Gordon; Frank A. Post, Accident & Health Review; Ralph E. Richman, National Underwriter; and T. Leigh Thompson.

At one time with the Northern Accident of Detroit, Mr. Curtis was an outstanding insurance industry spokes-

man against state disability plans. Before and after the first war, he was president of the Insurance Economics Society.

Southern F.&M. Surplus

The surplus to policyholders of \$204,748 indicated for Southern Fire & Marine of Atlanta on page 52 of the new 1953 Argus Fire Chart is incorrect. The correct surplus to policyholders as of Dec. 31, 1952 was \$454,748. The published figure is only the unassigned surplus.

La. Rating Schedule Is Being Overhauled

It is expected that a new rating schedule may be introduced in Louisiana by July 1. A lot of spade work has been done. The idea is to use the uniform grading schedule of the middle department. A lot of adjustments have to be made in the rate bases, in connection with the change-over, however, in order to produce consistent results. The basis in Louisiana is the

universal mercantile schedule but it is admittedly a hodgepodge and is highly complicated. For instance, there are more than 800 classifications of occupancy charges in the brick mercantile schedule.

Minneapolis Club Elects

Insurance Club of Minneapolis has elected Edward C. Arnold (David agency), president; T. A. Valine, Jr., Phoenix-Connecticut, vice-president; Clyde B. Helm, secretary.

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Claim Man's Role Is Strikingly Outlined by C. O. Pauley

The vital importance of the claim man as a public relations factor in the A. & H. business was strikingly described by C. O. Pauley, managing director of H. & A. Underwriters Conference, in his talk last week before Chicago Claim Assn.

This was the group's election meeting, and Otto V. Elder, American Service Bureau, was chosen to succeed G. Blair Hiser, United, as president. Other new officers are: Vice-president, J. C. Stange, Travelers; secretary, Charles Strezo, Sterling; treasurer, C. M. Karolewski, Washington National; assistant secretary, Harry Hoffman, Sterling, and assistant treasurer, Mrs. Kay Larson, United. Mr. Hiser becomes chairman of the executive committee, to which were named F. A. Egger, Washington National; Howard Westphal, Continental Assurance; Miss Ethel Wilsberg, North American Life, and Paul Tyler, New York Life.

Since the days when he entered the business, Mr. Pauley said, there has been a tremendous change in the attitude of claim men. Back in the '20s, the claim departments were worried about the policyholder getting away with so much money that the company's solvency would be threatened. Also, at that time there were a good many more fraudulent claims. The lessening of fraudulent claims he attributed to the idea that the utilities companies have become better targets.

The A. & H. business has had a tremendous growth and become an important line in itself. Along with this, its public relations attitude has stepped into prominence. Mr. Pauley mentioned the claims relations report of the conference that was written a year ago and which emphasizes the widespread public relations effect of claim handling not only on the policyholder, but also on his family, friends and a large number of third parties. It is the claim department that has the influence on public attitude, Mr. Pauley remarked, noting the case of Nebraska Medical Society which recently thought it would do a good service by having its members tell the public what were the best companies. The sole basis for judgment was the loss ratio, and the society got its figures on Nebraska business only. This was a distorted and unrealistic appraisal, because some companies had a 10% loss ratio in Nebraska that nationally had a 60% ratio. On the basis of the doctors' judgment, Continental Assurance, on its small volume of Nebraska business, was the best company in which to purchase a policy because its loss ratio there was 291%.

Insurance commissioners are repeatedly talking about claim complaints, but Mr. Pauley said a conference survey of a year ago showed this is not the problem they think it is. However, the departments do receive a large number of inquiries about A. & H., and this was brought to a focus last year in a talk by Commissioner Maloney of California, who said he received 2,311 A. & H. complaints in one year and that this was probably a small fraction of the total number of dissatisfied policyholders.

Mr. Pauley urged that companies get

(CONTINUED FROM PAGE 27)



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Experts Tell Buyers How to Appraise Insurable Values

NEW YORK—Construction costs have more than doubled since 1939, with resulting changes in the values of buildings already standing, A. L. Benjamin, director of insurance, Cincinnati Gas & Electric Co., pointed out to American Management Assn.'s insurance conference here. Therefore the buyer must review the insurable values of his company's properties periodically or he may lose when the coinsurance clause is applied in a loss. His company examines insurable values on larger properties every six months and on all properties every year.

Walter P. Hatch, chief appraiser of Factory Mutuals, warned against the pitfalls in obtaining insurance values by indexing known costs.

In determining insurable values, use actual construction costs whenever possible, Mr. Benjamin advised. They are the most accurate basis for reproduction costs, since, if the proper cost indices are used to translate original costs into present-day costs, there is practically no margin for error.

Where actual costs are not available, he recommended use of whatever appraisal method is most applicable to the properties to be insured. Reconstruction costs developed by a competent independent appraiser are likely to be satisfactory because he can compare his answers with other appraisals. However, in many cases the cost of an independent appraisal is higher than is justified by the size of the risk or the premiums involved.

Self appraisals by the insurance department can be quite accurate, he said, if the manager is careful in selecting unit construction costs and using proper conversion factors. A number of good appraisal systems, providing standard unit costs and cost indices, are available; the choice of a system depends on the type of property to be appraised. He advised use of tax values as a source of reproduction costs only in special cases and by someone familiar with the relationship between tax value and real value.

Straight line depreciation by which a probable life is assumed for the property and a proportionate percentage of depreciation is applied uniformly each year is a simple and widely used method. But life expectancy is based either on an estimate or on the average life expectancy of a number of similar units. Since even similar units of the same kind do not have an equal service life, the depreciation is nearly always too large or too small.

A variation of the straight line method is the fixed percentage of depreciated value method, by which the percentage is applied to the depreciated value rather than to the value new. This method presents a better picture of the second-hand value of the property than of its present worth but is rarely used in the U. S.

The sinking fund method is based on the assumption that the total accrued depreciation of any property unit at any date is equal to the corresponding accumulation of money in a fictitious equal annual year-end payment depreciation fund in which the total accumulation at the end of the service life would be just sufficient to repay the unit's value new less salvage. It is subject to the same inaccuracies as the straight line method.

Most accurate, he said, is the pres-

ent worth depreciation principle, based upon the theory that the depreciated value of an industrial property unit at any date of its service life is the present worth of the probable future operation returns yet to be earned by its probably future services. This method is not popular with appraisers because it requires the use of a rather complicated formula, he said.

No original cost figures more than five years old should be indexed. Where original costs are not available,

a square foot or cubic method can be used.

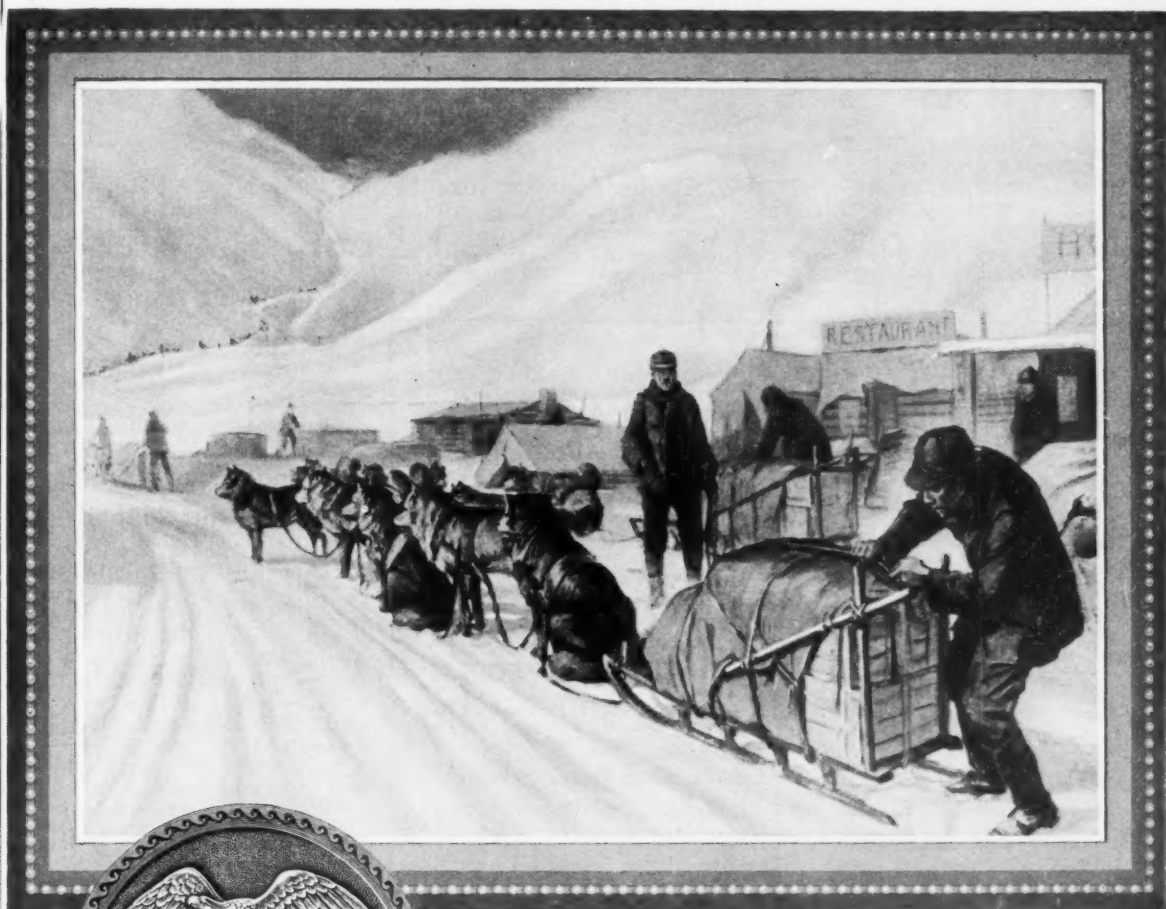
The popularity of repair or replace insurance is making depreciation less important, though still controversial. Although it is not used by experienced appraisers, the straight line method is about the only system suitable for universal use, he believes. He suggested annual depreciation rates of $\frac{1}{2}$ of 1% for non-combustible construction; 1% for mill type, and $1\frac{1}{2}$ % for joisted construction.

N. J. Group Outing

New Jersey Fieldmen's Assn. will hold its combined golf outing and past presidents' dinner May 22 at Rock Springs Country Club, West Orange, N. J.

Nelson & Killian, independent adjusters of Detroit, have moved their offices to larger quarters at 607 La Fayette building. The National Underwriter Co. Detroit office has also moved to the same location.

An advertisement similar to this appears in SATURDAY EVENING POST, May 16, and in NEWSWEEK, June 15



"Crossing the Chilkoot Pass during the gold rush in Alaska, 1897." From a painting by O. E. Berninghaus. By permission of Mr. August A. Busch, Jr., owner.



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W. C. Assigned Risk Pools Elect Chairmen

The Assigned Risk Pool held its annual meeting of members in New York at the same time as the annual meeting of National Bureau of Casualty Underwriters, as did also the Illinois Stock Pool for Assigned Risks and the Arkansas Stock Pool for Assigned Risks. All three deal with workmen's compensation assigned risks.

Assigned Risk Pool members elected as chairman Alan W. Waite of Aetna Casualty; executive vice-chairman William Leslie, general manager of National Bureau; vice-chairman E. H. Mathews of Aetna Casualty, secretary-treasurer George J. Schepens, who also manages the automobile assigned risk plans in the east; assistant secretary, H. J. Remington of Fidelity & Casualty, and assistant treasurer C. E. Gillott, Jr. of National Bureau.

The Illinois pool members elected G. E. Peterson of Travelers Indemnity as chairman, Carl L. Kirk of Zurich vice-chairman, Mr. Leslie as general manager, Mr. Schepens as secretary-treasurer.

Mr. Remington as assistant secretary, and Mr. Gillott as assistant treasurer. The Illinois agent of the pool is Harry H. Fuller, manager of National Bureau at Chicago.

The Arkansas pool elected Joseph F. Matthai of U.S.F.&G. chairman, H. S. Robinson of Fidelity & Casualty vice-chairman, Mr. Leslie as general manager, Mr. Schepens as secretary-treasurer, Mr. Remington as assistant secretary and Mr. Gillott as assistant treasurer. The Arkansas agent is A. L. Hoffman of the Arkansas Compensation Rating Bureau.

Ikier, N. Y. Adjuster, Retires

Edward E. Ikier, New York City independent adjuster, has retired after more than 50 years in the business. He entered insurance with North British, and was with New Jersey, National Liberty and Home, before becoming an independent.

Ala. Annual Meeting June 11

Alabama Fieldmen's Assn. will hold its annual meeting June 11 at Mobile. The club will hold an all-day outing the previous day.

Probe Floater Offered by Master Plumbers

Surplus Line Assn. of Washington has called on agents throughout the state to advise whether they are losing coverage on members of National Assn. of Master Plumbers to the Jackson organization of Elkins Park, Pa., an insurance brokerage firm which is offering a combination cover to members of the group.

The association points out that the contract offered by the plumbers association is in violation of the artificial combination of classes rule of Washington for countersignature and these would be ordered cancelled, the association stated.

The multi-peril policy provides public liability and broad form property damage, as well as a tool floater. With the exception of the broad form property damage contract, the classes insured may be covered in the admitted market, Surplus Line Assn. stated.

According to the brochure of Master Plumbers Assn., the tool floater is written by Lexington Ins. Co. of Wilmington, Del., which is sponsored by members of the Boit, Dalton Church agency, Boston, and the BI-PD by Lloyds. Surplus Line Assn. has solicited the cooperation of Mendes & Mount, U.S. attorneys for Lloyds, in curbing solicitation in the state of Washington.

Cincinnati Group Hears Talk on Health Council

James R. Williams, director of public relations of H. & A. Underwriters Conference, gave Cincinnati Assn. of A. & H. Underwriters first-hand information regarding the Health Insurance Council, its purposes and its work, at its May meeting. He was introduced by J. W. Scherr, Jr., executive vice-president of Inter-Ocean and chairman of the conference executive committee.

Mr. Williams sketched the tremendous growth of the A. & H. business, and the parallel growing need for public relations work, which has been made possible in recent years by the Health Insurance Council, to which he devotes the major portion of his activity. He called A. & H. insurance "the Achilles' heel" of the insurance business because for one reason it has grown so fast that it has been difficult for public relations effort to catch up with sales effort. Through the council, he said, the business has a cooperative project designed to develop increasingly better understanding among doctors, hospitals, and companies.

He cited the group hospital admission plans, some 30 of which are now operating, as one example of council activity, and told of the experimental plan in Columbus for individual policyholders as a possible forerunner of development in that direction, too. For the successful operation of such plans he said there are two needs: (1) active support and understanding of all hospitals, and (2) an individual in the city who can give his time to "ironing out the wrinkles that show up."

Harold F. Swisher, Columbus manager of Mutual Benefit H. & A., as chairman of the legislative committee of the Ohio association, reported on the King bill in the Ohio legislature, a compulsory state disability benefits bill that would provide weekly indemnity for up to 26 weeks for non-occupational disabilities.

The new president of the Ohio association, R. W. Bickelhaupt of Mutual Benefit H. & A., Cincinnati, reported

on the activities at the state association's annual convention and sales congress at Cleveland in April.

President F. L. Baker announced the annual picnic for members and wives will be June 18 at Twin Oaks Country Club, Covington, Ky.

California Premium Discount Plan Will Be Contested

A ruling by California Commissioner Maloney approving premium discounts and a retrospective rating program presented by the major compensation insurers in the National Bureau will be contested at a hearing June 22 in San Francisco superior court.

An injunction was obtained more than a year ago in Los Angeles county by California participating insurers and Commissioner Maloney then successfully moved for a change of venue to San Francisco. The 46 companies supporting the commissioner's stand will be represented by Sidney L. Weinstock, former deputy commissioner, and John B. Donovan, New York. Seven companies oppose Mr. Maloney.

Neumann Heads Special N. A. I. A. Auto Committee

Joseph A. Neumann of Jamaica, L. I., has been appointed chairman of a special committee of N. A. I. A. to continue study of automobile insurance problems. President Walter Sheldon set the committee up in response to a directive from the board of directors at their Florida meeting. The directors asked that this be done after Mr. Neumann had reviewed the automobile insurance problem with particular reference to compulsory insurance. The other members of the committee are Joe H. Bandy of Nashville, Linn S. Kidd of Brazil, Ind., Emil L. Lederer of Chicago and Guy T. Warfield of Baltimore.

Contests Bond Forfeiture

Capitol Indemnity is appealing a \$10,500 bond forfeiture order, contending the Indiana forfeiture law is unconstitutional. The company has been ordered in criminal court to pay up immediately after it failed to produce the man who skipped on three bonds. The bonds originally had been forfeited March 27, but Capitol Indemnity got an extension of time until April 28. When its man failed to appear, the forfeiture was ordered. Capitol Indemnity claims the state law is unconstitutional because it does not give the bonding company a chance to present its side of the case.

Swaggerty to Scottish Union

James R. Swaggerty, formerly with the Oregon Insurance Rating Bureau, has been appointed special agent in Oregon for Scottish Union, which is opening a new service office in Portland, where Mr. Swaggerty will make his headquarters. The Oregon field has been under the direction of the Seattle office.

S. F. Accountants Plan Rally

Insurance Accountants Assn. of San Francisco will hold its first convention there Oct. 14. Loren Sommer of North British will be the principal speaker and there will be a talk by Dr. R. D. Huntoon of the U. S. Department of Commerce on electronics in insurance.

Amarillo, Tex. Insurance Exchange newly elected officers are: C. T. Davis, president; Roy Vinyard, 1st vice-president; G. W. Eades, 2nd vice-president, and J. E. Spann, secretary (reelected).



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Education Needed to Stop March to Sky of Verdicts

NEW YORK—The problem of recklessly high claims and awards for personal injuries can be solved only by improving the public's economic understanding, Chase M. Smith, general counsel Lumbermen's Mutual Casualty Company, Chicago, told the American Management Association's national insurance conference here. Mr. Smith spoke at the Wednesday luncheon.

The immediate need is for an educational program in and out of industry to point up the proposition that insurance or corporation money is not a Santa Claus fund but represents the savings of people, must be dealt with carefully and with a great sense of responsibility.

The average jury verdict in the supreme court of New York for the 1950-51 year was \$8,695, a 249% increase over 1941, he reported. This increase far outstepped the acceleration in the cost of living. The highest verdict in the years before the second war began was under \$40,000 and is now several times that figure.

An elevator accident that appeared to be entirely the fault of the victim brought a verdict of \$175,000 in favor of widow and children, representing what appeared to be about 50 years of gross probable earnings of deceased. Other high verdicts include \$100,000 for a skull fracture and arm breaks suffered by a middle-aged workman whose annual earnings were about \$3,000 and who was back at work half-time when the case was tried; \$100,000 to a housewife for injury and neurosis; \$140,000 for loss of a leg. One woman sued for a skin eruption allegedly caused by an allergy to certain materials in an article of clothing she bought. Women sue for miscarriages caused by the shock of seeing an accident.

Between 1941 and 1951, he said, the amounts paid by the American public for automobile liability insurance rose from \$446 million to \$1,667 million and for general liability insurance from \$118 million to \$384 million. Though some of this increase can be attributed to the growth in automobile registrations and dollar volume of business transactions, the great increase in amounts paid for liability insurance is a measure of the growing consciousness of the motorist and the businessman of the danger of financial disaster from a liability verdict of serious proportions.

These expenditures for insurance and the expenditures made by those who pay their own losses are part of the cost of doing business or of operating a store or an automobile. The cost of operating automobiles is a part of the salary of the salesman, the broker's commission, the doctor's bill, and the rent of house and office. Everything that forms part of the accident and award picture very quickly comes back home in a tangible form in the cost of doing business and in the cost of living of each and every citizen of our country.

This march must stop, he declared, or irreparable damage will occur to the standard of living and methods of doing business. It must be stopped by reason, education, and good citizenship.

Substituting some other system of handling liability claims for the judge and jury one is not the solution, ac-

cording to Mr. Smith. Any attempt to introduce a schedule of fixed values for payments would create more inequities than it would cure.

Corporations and insurers still have a long way to go and an unlimited horizon for future development in accident and loss prevention. Dramatic courtroom techniques designed to achieve large verdicts can be answered only by careful preparation of cases. Con-

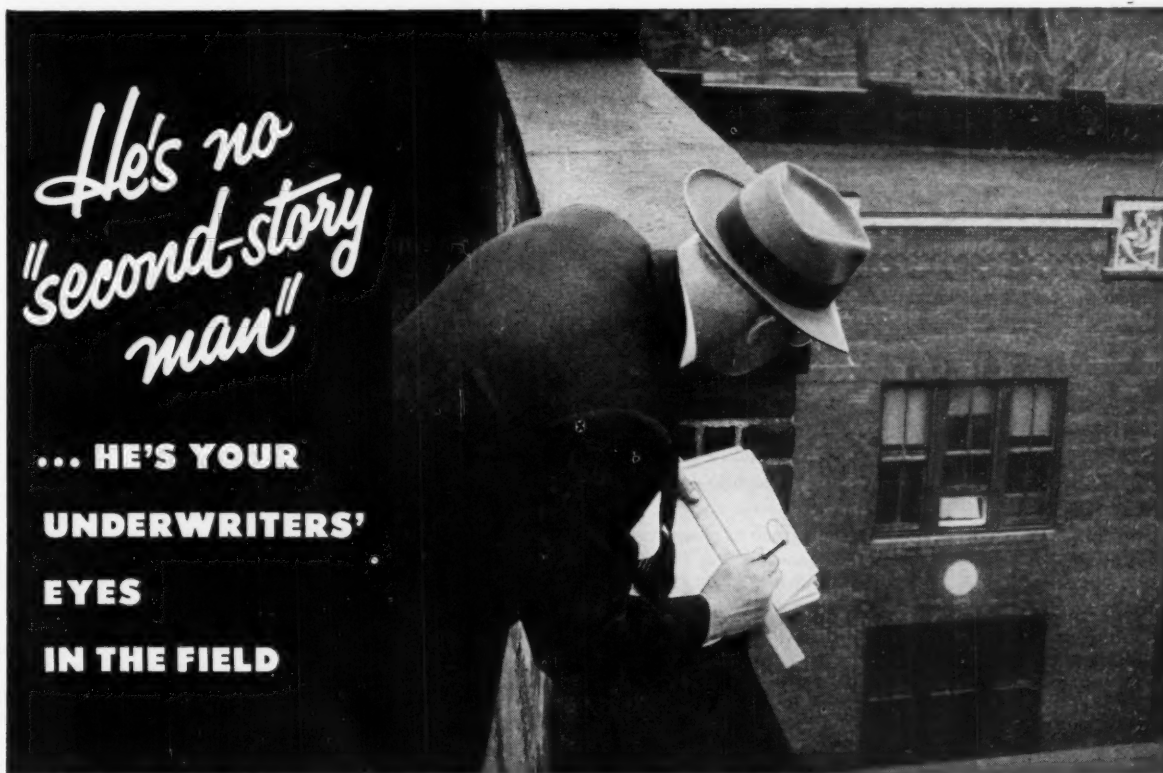
tingency fees for plaintiffs' lawyers probably could not be eliminated—and probably shouldn't be. The only sure cure is in the public mind, he said.

W. C. Recodification Hearing

A hearing on recodification of the Minnesota workmen's compensation act has been set for June 16 at St. Paul. A provision for recodification was made by the recent state legislature.

Aero on Delta Crash

Aero Associates is the insurer on the Delta-Chicago & Southern Airlines DC-3 which crashed about 20 miles west of Shreveport, La., while making an approach to the Shreveport airport on a flight from Dallas. Nineteen of the 20 persons aboard were killed including three crew members. The DC-3 value runs about \$75,000.



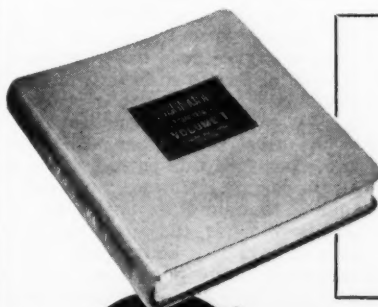
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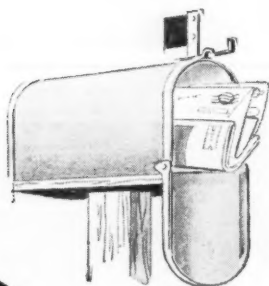
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Bank Buyers Elect

Savings Banks Insurance Forum of New York State has elected the following officers: Chairman, William F. Owens, Emmigrant Industrial Savings

Bank; vice-chairman, Gerard L. Pingera, Lincoln Savings Bank; secretary, Clarence W. Herold, South Brooklyn Savings Bank, and treasurer, Alfred Kranen, Kings County Savings Bank, all of New York metropolitan area.



National Notes for Producers

How to Get Booklets Out Selling for You

You'll find it's surprisingly easy to turn booklets into an effective sales force. It requires a little planning—a little mailing—and a little follow-through.

Select a group of prospects whose coverage requirements are known to you. It can be a small group.

(We'd suggest limiting it to ten or so.)

To these prospects mail leaflets, booklets—all advertising material that should interest them.

Let the material break the ice for you—do your "cold" calling. Let the advertising do the explaining—you do the selling. As you follow through with your calls, you'll be pleased how well this sales-making formula pays off.

National of Hartford Group offers numerous booklets, leaflets and other sales helps to its Agents.



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FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
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Executive and Administrative Offices: Hartford 15, Connecticut

Tells Objectives of Information Unit

NEW YORK—Kenneth Williamson, executive vice-president of Health Information Foundation here, discussed the activities of his organization at the seminar conducted by Bureau of Accident & Health Underwriters. The foundation was organized in 1950 by leaders in the drug, chemical, pharmaceutical and allied businesses, on the premise that if the American people are well informed they will act intelligently in their own behalf.

The purpose of the organization is to create improved and broader understanding among the people as to what they have in the way of health protection and facilities, improve and extend the knowledge of those facilities and contribute to the improvement of facilities.

The foundation has gone into the public relations activities of the medical profession. It is interested in hospital financing and has a study on that subject under way. It is interested in the health of children and why parents often fail to act on a health deficiency shown by school examinations. It is also interested in four voluntary health research projects. They are:

A sampling of a group that has health insurance and one that does not to learn the effect of insurance on the attitude of the people. Mr. Williamson believes the insurance business will be interested in this study. A depth study of subscribers to health insurance plans is planned, to find out what constitutes a catastrophe to a family in this field, etc. It plans as an experimental project a saturation program, to determine cost, what it would do, how, etc.

Financing health care is the most pressing current issue, Mr. Williamson said.

Two projects shelved at least for the time being are a health primer for legislators and a study of health insurance for indigent groups.

Of the four that are to be carried out the foundation has three groups in mind—Blue Cross, Blue Shield and private insurers.

One project is a nationwide education and enrollment program with which the foundation hopes to sell the basic need for health protection. This would indicate broadly the principles of voluntary health insurance, get at abuses, and finally urge that if the people are not in the voluntary health insurance movement they get in. The foundation hopes to interest local plans and insurers to tie in with this project.

Another project is the improvement of existing health insurance plans. He wondered how much improvement there would be if all plans were raised to the level of the best. He doesn't know just how this project would apply to private insurance, but with the Blue Cross and Blue Shield the idea is to have teams study what makes one plan or part of it better than another, document the story in a sales presentation and then go to the plans' directors and point out that a complete job must be done, that not all are doing it, that it can be done, and this is the way to do it. A committee of Health Insurance Council has indicated this may be of considerable interest to private insurers.

Another project is to develop a committee of six top business leaders to sign a series of personal letters to about 200,000 business leaders over the

country and reestablish a new fervor for voluntary health insurance. The idea is that these business men can see to it that employees have such protection, that they understand its principles, that they can do a good job in their community with the story of health protection. Business men have to realize that the purchase of a policy in a plan or insurer is not health insurance but a means of financing it.

Another objective is cooperative
(CONTINUED ON PAGE 31)

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Tell Buyers That Major Medical Is Big Thing of Decade

NEW YORK—Deductible and coinsurance provisions may provide part of the answer to spiraling costs of hospitalization insurance, Paul E. Britt, 2nd vice-president of Connecticut General Life, indicated at the American Management Assn.'s insurance conference here. Both Mr. Britt and Frazier Wilson, manager insurance division of United Air Lines, Chicago, found much to say in favor of catastrophe medical cover.

So far little has been done to introduce the principle of a first dollar deductible except in the case of out-of-hospital doctor's calls, Mr. Britt stated. However, Connecticut General has been experimenting with the deductible approach in the hospital field on a few large cases where it seemed to be the alternative to a substantial rate increase. The deductible has varied between \$20 and \$35 and has applied either to all hospital admissions or only to those resulting from non-surgical illness. It is too early, Mr. Britt reported, to say how the results will check out with the predictions, but the short-term improvement in experience is favorable.

Buyers and insurers alike have decided to take a good look at coinsurance, Mr. Britt said. It is being incorporated directly in the coverage for hospital charges other than board and room by the type of benefit which pays all these charges up to 20 times the daily benefit and then 75% of such charges for a substantial additional exposure, the next \$1,000, for example. In other cases the direct coinsurance principle has been applied at point in cost to a surgical fee schedule. In fact, there are plans that provide a direct coinsurance factor higher than 75% starting with the first dollar cost on all parts of a complete hospital, surgical, medical package. An 85 to 90% coverage in the basic hospital, surgical, medical program is an indirect application of coinsurance.

Mr. Britt advised watching of trends in both the deductible and coinsurance as they develop. He was not suggesting that the trend toward raising basic benefits will level off, but it may be the increases will be subject to more careful examination as to their possible effect upon experience results.

Group medical catastrophe insurance is the outstanding improvement in the hospitalization field of this decade, he declared. Connecticut General now has 170,000 employees covered under such a plan with a sliding scale deductible. About 6,000 employees are covered under a fixed deductible plan.

From observations the last three years, the corridor type deductible appears to do the better job considering cost, he reported. Because of the time lag in finally closing out claims, his company's experience is not yet accepted as particularly significant. All that it is sure of is that in no case have claims exceeded premiums so far.

Most of this experience with sliding scale deductibles has been based on percentage of salary. The flat amount may work better for some buyers, and an 80-20 coinsurance ratio might provide as good or a better control than the 75-25 ratio used so far. Until buyers and insurance firms settle down to a fairly homogeneous approach the

prime factor in successful development is a buyer who is sympathetic with the experimental nature of this kind of insurance, Mr. Britt said.

Mr. Wilson endorsed the catastrophe medical plan as perhaps the finest thought which has been introduced into group insurance in many years. It should be offered to employees if possible. It may be the catastrophe plan, added to the basic plan, will offer the financial relief buyers are seeking and which is so essential to the financial

rehabilitation of the employee who has suffered serious illness.

To get its money's worth from an employee group insurance plan the company must stimulate full employee appreciation by thorough merchandising of the benefits, he added. A new benefit must be carefully explained and thoroughly understood. Present both the benefit and the restrictions on it—and present both in a positive way, he advised. Stress the value of the hidden wages the employee receives through

group insurance benefits. Use such techniques as a colorful, dynamic, simple booklet; sympathetic notes and prompt payment when claims are presented; and indoctrination talks before employee meetings in the various plants.

In setting up group insurance plans, the employee's needs must be distinguished from his real or imaginary demands. Demands he defined as efforts to be reimbursed for nominal bills that can be budgeted as conveniently as

(CONTINUED ON PAGE 31)

NORTH AMERICAN CASUALTY AND SURETY REINSURANCE CORPORATION

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Plans Perfected for Rally of Independent Adjusters at S. F.

National Assn. of Independent Insurance Adjusters has completed the program for its convention June 18-20 at San Francisco. For three days preceding the actual meeting there will be a series of get-togethers. On June 15 the western division will have a regional meeting, and on the 16th and 17th the executive committee will meet, with E. H. Bockius, San Francisco, the president, presiding.

The mayor of San Francisco will welcome the adjusters at the opening session, and after a response by Mr. Bockius, the meeting will open with a talk by E. D. Bronson, San Francisco attorney, on "The Bad Faith Rule and Its Practical Application." John Henry Martin, manager of Standard Forms Bureau, will give a discussion of the new dwelling broad form and related fire forms.

In the afternoon the members will

have a golf outing at Diablo Country Club.

Talks the next day will be given by Elton E. Mann, claim superintendent of Farmers Mutual Hall, on "Legal Liabilities of Lessee and Lessor Under Interstate Commerce Commission Filing," Clarence W. Heyl, Milwaukee attorney, on "What Trial Counsel Should Find in an Investigation File," and Robert Cathcart, San Francisco manager of Commercial Union group, on "The Moral Hazard in These Changing Times." That evening the group will have a cocktail party honoring Mr. Bockius.

On Saturday, June 20, the group will have its annual meeting and election. There will be a luncheon of the newly elected executive committee members, and that evening comes the banquet and entertainment.

State Farm has advanced Merritt L. Anderson and Bill Kelly to assistant underwriting superintendents for Nebraska-Wyoming and Colorado-Kansas respectively, and Tom Meade to assistant auditor.

J. W. Frazier Is Cleveland Head Man

John W. Frazier was elected president of Insurance Board of Cleveland, succeeding Charles F. Stewart. The new vice-president is Cliff B. Dye; Joseph H. Bishop, Jr., is secretary-treasurer. Newly elected as trustees are Paul R. Goldenbogen and George E. Frankel.



J. W. Frazier

Mr. Frazier is vice-president and secretary of the James & Manchester Co. and has been in insurance business at Cleveland 33 years. Mr. Dye is first vice-president of Brooks & Stafford Co.

Receiver for Tex. Insurers Is Tracing the Funds

The receiver for Lloyds Fire & Casualty and North American Fire & Casualty of San Antonio, it is reported, is investigating the matter of withdrawal of funds from these companies. He is looking into the disposition of these funds. Before the date set for the court hearing William Bedell and Helen Bedell who were attorneys in fact for the Lloyds organization and who were the head people in the stock company, agreed to receivership. Also, down the drain at the same time went Developers Investment Syndicate, Inc. and the Bedell Insurance Agency.

Ralph Hammonds of Houston who was an underwriter with Lloyds Fire & Casualty withdrew from that outfit some time ago and organized Lloyds of North America at Houston. He brought suit against William Bedell and the latter entered a counter suit. Both of these actions are pending in Bexar County district court.

E. R. Hodgkins Addresses Minneapolis A. & H. Men

Edward R. Hodgkins, vice-president and manager of agencies Massachusetts Protective and Paul Revere Life, addressed Minneapolis A. & H. Underwriters Assn. on "Sell Yourself First", in which he pictured the field underwriter as a public relations man for himself, his company and the industry.

New Columbus Officers

New officers elected by Columbus (O.) Assn. of A. & H. Underwriters are: President, Robert C. Burrows, Travelers, who succeeds Martin T. Boyer of Massachusetts Protective; vice-president, Melvin C. Melke, Mutual Life; secretary-treasurer, Earnest E. Emswiler, Retail Credit.

W.U.A. Committees Recast

The new committee assignments have been made in Western Underwriters Assn. following the annual meeting. Newly named to the governing committee are R. W. Carter of Aetna Fire, W. S. Whitford of Millers National and H. P. Winter of America Fore. Reappointed to the committee are P. S. Beebe of Hartford Fire; C. E. Dox of London & Lancashire; E. D. Lawson of Fireman's Fund; Olaf Nordeng of Automobile; Clark Smith of Royal-Liverpool; H. A. Clark of Firemen's and W. L. Nolen of North British.

New chairmen of other committees are F. L. Ludington, Atlas, finance; E. R. Sanborn, Great American, mem-

bership; L. E. Grigsby, Hartford, public relations; W. S. Whitford, policy committee, and H. P. Winter, research. Reappointed as committee chairmen are J. G. McFarland, American, arrangements; E. H. Forkel, National, conference; E. S. Purcell, Hartford, losses; J. C. Harding, Springfield F. & M., fire protection engineering; C. W. Ohlsen, Sun, forms; S. T. Shotwell, North British, Rocky Mountain.

Mordo Loyalty Group Detroit Head Man

Gerson R. Mordo, who has been Michigan state agent for Girard with headquarters at Jackson, has been appointed manager of the Loyalty group Detroit branch and service office in the Penobscot building. He succeeds the former manager, Richard J. Lamar, who resigned. Mr. Mordo has been traveling in Michigan for Girard for many years and is well known in the state. He was formerly a company manager in Detroit and hence is well posted on conditions in Wayne county. He was at one time with Employers.

Schools in 2 Mich. Cities to Get Self-Insurance

Self-insurance funds for Grand Rapids and Flint schools have been legalized under a bill introduced by Sen. Greene, which is expected to be approved by Gov. Williams of Michigan.

The measure affects only second class school districts in which category only Grand Rapids and Flint qualify. It permits such districts to set up insurance reserve funds not to exceed one-tenth of 1% of assessed valuation of the districts. The act permits building up funds over a 10-year period to a maximum of \$350,000.

Hugh W. Donovan Goes to Vicksburg Local Agency

Hugh W. Donovan, formerly Hartford manager of American Auto, has become vice-president of the local agency of B. E. Hardacre Co. at Vicksburg, Miss. He was born at London, Eng., attended Ohio State and had been with American Auto 19 years serving at Columbus, Cincinnati and San Francisco as well as Hartford. He is a C.P.C.U. and is a former president of the Ohio-Michigan C.P.C.U. and the Connecticut C.P.C.U.

Mich. Agents Number Static

LANSING, MICH.—Michigan's agency force is remaining practically static in recent years, according to a review of the licensing situation by Michigan Assn. of Insurance Agents. The number of applicants for licenses has been steadily increasing in late years, it is noted, but the number of cancellations of licenses has mounted at a commensurate rate, nullifying the apparent gain in new agents. On an average, analysis of department records shows, agents now represent more companies than in the past but the number of individual agencies has remained virtually constant.

Waldo O. Hildebrand, association secretary-manager, who made the licensing study with the collaboration of his staff, noted that the qualification law has been most effective in preventing the licensing of a vast number of incompetent agents.

Boske Opens Own Office

Carl W. Boske, who has been associated with Moore, Case, Lyman & Hubbard agency at Chicago, has now opened his own office at 1262 Insurance Exchange building. He will operate as an independent broker.

Raymond F. Young has joined the Atlanta local agency of W. R. Hoyt & Co.



This unusual shape is a rather unusual ladies' hat in silhouette!

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State Bills in '53

State bills have current status in this year's session. Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

The ability for interstate commerce to trend toward a settlement, for a committee proposal of a dozen bills this year, sickness.

In Pennsylvania, council ployments further a program proposed in New York, Howland, New York, bills, the to increase.

Bills general got a first in New York, would be a system care of.

The pears to a disability where house commit cut has Republic sponsor the com to do, a to report vote.

In Illinois, committee bill 51 expected or next rejection.

W.C. in Texas

The men's of Texas has passed. It is Texas.

This in Texas removal of the Texas is considered that it insurance clining are some even a insurers or from one of a bullet.

State Disability Bills Find Tough Going in '53 Legislatures

State non-occupational disability bills have had tough sledding in the current legislative session, and legislators have had less exposure to them this year. The states in which such bills have already met legislative rejection or are still pending with little prospect of passage include Delaware, Illinois, Indiana, Massachusetts, Minnesota, Nevada and Pennsylvania.

The issue of non-occupational disability benefits seems to be headed for interim study in several states, but the indications are that the earlier trend toward these laws is now dormant, although not dead. In Massachusetts, for example, the state legislative committee on labor and industry has proposed that it make an interim study of a dozen bills which were introduced this year on various versions of a cash sickness program.

In Pennsylvania, the state advisory council on unemployment and unemployment compensation recommended further study before adoption of such a program there. The Pennsylvania proposal is similar to that in operation in New York.

However, in the four states (Rhode Island, New Jersey, California and New York) already having disability bills, there has been a flood of bills to increase benefits.

Bills proposing various forms of general compulsory health insurance got a frigid reception in the few legislatures in which they were introduced. In New York, a bill was buried which would have established a health insurance board in the state health department and provided for a state-wide system of health insurance for medical care of all residents.

The only state in which there appears to be a fair chance of getting a disability law through is Connecticut, where the proposal comes before the house Thursday or Friday without committee recommendation. Connecticut has a Republican governor and a Republican legislature, and the bill is sponsored by Gov. Lodge. However, the committee could not decide what to do, and the floor leader asked them to report the bill out to let the house vote.

In Illinois, a house judiciary subcommittee voted against a disability bill 5 to 0, and similar action is expected by the full committee this week or next. It will be the fourth straight rejection.

W. C. Assigned Risk Law in Tex. Removes Alarm

The Texas bill to authorize workmen's compensation insurers to form a Texas workmen's assigned risk plan has passed both houses of the legislature. It has an effective date of July 1.

This assigned risk plan was wanted in Texas by the casualty companies to remove some ambiguities in the situation that had created some alarm. The Texas law is hard to decipher but there is considerable ground for asserting that it deprives Texas Employers Insurance Assn. of the privilege of declining to accept any risk. Then there are some who say it could be construed even as preventing other types of insurers from declining to accept risks or from cancelling. About a year ago one of the authorities in Texas put out a bulletin to the effect that insurance

companies couldn't refuse to write workmen's compensation policies in Texas, and they couldn't cancel. This, naturally, stirred up the animals. The matter was kicked around and now an assigned risk plan has been passed and the companies and the authorities will go to work to set up an operating plan.

Line Up Card for Sales Congress at St. Louis

A record attendance is expected for the sales congress May 28 of St. Louis A. & H. Underwriters Assn. Robert W. Osler, editor of the *Insurance Salesman* will speak at the luncheon to open the meeting on "What's Ahead for A & H—Some Brickbats and Bouquets."

Sales congress speakers and their subjects will be: George F. Edginton, associate manager and director of sales training for Mutual Benefit H. & A., "The Big E in 1953;" Carl H. Lane, agency supervisor of General American Life, "Business A. & H. Insurance," and John G. Galloway, Birmingham, president of the International Assn., "The Challenge."

F. I. A. on Big Borg-Warner Loss

Loss will approach \$1 million in the fire that attacked the newly constructed warehouse of Ingersoll products division of Borg-Warner at West Pullman, Ill. This had not been entirely completed but it was being used anyway for packing and shipping wing tip fuel tanks for jets. The fire could have been started from smoking because there was much flammable packing material there. There were two sprinkler systems installed but they had not yet been turned on. The warehouse was 60 feet wide and ran for a block. The insurance was placed by Carl W. Boske and the insurance is in Factory Insurance Assn. Adjustment is being handled by Western Adjustment and Underwriters Adjusting.

Curran to Ins. Co. of Texas

James T. Curran, for eight or 10 years with Louisville Fire & Marine as Kentucky-Tennessee state agent, has resigned to become Kentucky field representative for Ins. Co. of Texas.

April Fire Losses 19.3% Below March

Fire losses in the U.S. in April amounted to \$677,362,000, according to National Board.

This was a decrease of 19.3% from losses in March and approximately the same as losses for April, 1952, which amounts to \$67,280,000.

Losses for the first four months totaled \$300,198,000 up 5.8% over the first four months of 1952.

| | 1953 | 1952 | 1951 |
|------------|-------------|-------------|-------------|
| Jan. | 76,859,000 | 74,155,000 | 68,886,000 |
| Feb. | 72,706,000 | 69,925,000 | 69,136,000 |
| March | 83,471,000 | 72,254,000 | 71,507,000 |
| April | 67,362,000 | 67,380,000 | 62,965,000 |
| | 300,198,000 | 283,714,000 | 272,294,000 |

New Texas City Adjuster

Hall Cochrane has opened Tri-County Adjustment Bureau with headquarters at Texas City, Tex., covering Harris, Brazoria and Galveston counties for inland marine, casualty, fire and workmen's compensation.

The annual golf tournament and party of the Board of Marine Underwriters of Seattle has been set for July 31.

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Northwest Agencies Merge

The Putman and Van Doren agencies of Centralia, Wash., have merged and incorporated under the name of Centralia General Agencies. Don Van Doren is president and Glen H. Put-

man will manage the insurance department.

The spring clinics sponsored by Gopher 1752 Club attracted 450 agents to the meetings at Minneapolis, Marshall, Mankato and Rochester.

Prepare Agenda for Mutual Claim Group

The claim conference of Conference of Mutual Casualty Companies June 4-5 at Chicago will include six talks and two panel discussions.

On June 4, Tom G. Smith, Auto-Owners, will lead off with a discussion of "Underwriting Principles and the Assistance of the Adjuster." This will be followed by the annual meeting of the claim arbitration group of which Alex H. Ogenorth, Farmers Mutual Auto, is chairman. That day also there will be talks by Dr. Robert M. McMurry of McMurry, Hamstra & Co. of Chicago on "The Importance of Psychology in the Investigation and Adjustment of Claims;" Paul Pfister, Indianapolis attorney, on "Relationship Between Insurance Companies and Insurance Departments," and Irvin W. Roemer, Chicago attorney, on "Insurance Industry and Defense Attorneys Meeting the NACCA Trust."

The next day will open with a presentation of the film "Sheet Metal Correction" produced by Motors Ins. Corp. There will be a talk in the morning by Clark MacGregor, Minneapolis attorney, on "Rescission of Coverage Obtained for Fraud or Misrepresentation," and Meredith Nelson of State Farm will give a report and discussion of his uniform depreciation survey.

In the afternoon, there will be a talk on reconstruction of traffic accidents by Professor S. Baker of Northwestern University, and the meeting will close with a panel discussion on the extent of agent participation in claims.

Employers Appoints Two

Raymond O. Witte has been appointed superintendent of Employers southern engineering department in Atlanta, Ga. Robert J. Hartnett has been appointed to succeed him as superintendent of the Indiana engineering department. Mr. Hartnett is being transferred from Scranton, Pa., where he has been since 1946.

Ala. Agents Back 3 Bills

Alabama Assn. of Insurance Agents in the May session of the legislature is sponsoring a bill to amend the state insurance fund law so that local boards of education can place their insurance with agents rather than through the central fund at Montgomery. The agents want to change the law so that it will be permissible for the school board to insure with the fund rather than for it to be mandatory.

Another objective is to extend the facilities of the state insurance fund to permit it to insure for extended coverage in addition to fire and lightning. The agents feel that inasmuch as the fund will be continuing to insure some state properties, it should be able to insure for the same perils as are available from private companies.

The agents will give a big assist to the licensing bill which is sponsored by the insurance department and which is virtually the same as has been suggested by National Assn. of Insurance Commissioners.

N. J. Assn. Gets Praise

Essex County, (N. J.) Assn. of Insurance Agents was commended at its monthly meeting for its "successful - 'to date' - fight against compulsory automobile insurance" by A. Charles Corotis, New York public relations counsel, who termed this insurance as a manifestation of the scheme to make insurance a bureau of the government.

Mr. Corotis lauded the insurance agents' state leadership for the vigor in which it opposes "socialistic experiments" and its demonstrated interest in the public. He said the new financial


security program will prove a boon to the people of New Jersey and is affirmative and constructive.

On the importance of public relations he told the meeting it is not enough to publicize an individual business or product and unless business public relations are used by every man in the business, "he may soon be taxed and controlled and socialized out of business. You must always be alert to join with any other business or profession that finds its freedom imperiled by socialistic assault."

Insurance Women of Seattle elected Mrs. Blanche Leasure, American Surety, president, succeeding Mrs. Lola Brickles, D. K. MacDonald & Co. Other officers are Mrs. Ingrid Cowan, Bowles, White & Co., 1st vice-president; Mrs. Carol Schmidt, Western Pacific, 2nd vice-president; Mrs. Tena Banes, Talbot, Carroll Co., recording secretary; Mrs. Kathleen Aaberg, D. K. MacDonald & Co., corresponding secretary; and Mrs. Margaret Wicknick, London & Lancashire, treasurer.

United Pacific has transferred John C. Cotton, bond underwriter in Seattle, to the company's fidelity and surety department at Los Angeles, Wilshire division.

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The Commercial Union Fire Ins. Co.
The Palatine Insurance Company Ltd.
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Bases on Which Buyer Decides to Insure or To Self Insure Risk

NEW YORK—The decision not to insure should never mean simply a failure to act; it should always represent a positive course of action, Bion H. Francis, insurance manager of Olin Industries, New Haven, told the insurance conference of American Management Assn. here. The decision should be supported by evidence in the files, he declared.

The decision not to insure may be developed into a formal self-insurance program under which rate experience is built up and reserves established, using actuaries, adjusters, engineers, and other specialists as an insurer does. Or it may take the form of excess insurance, a method of reducing the total risk in order to develop a limited area in which the decisions on whether to insure a particular hazard can be applied.

When the decision not to carry insurance departs from the usually accepted practice, it should be made by the highest authority within the company, he said. Studies and recommendations not to carry insurance that represent a normal business practice should go to directors or executive committee. The stockholder is justified in assuming that the company follows accepted standards in the insurance of property and hazards.

To guide the insurance manager's judgment in deciding whether or not to insure, he suggested these questions:

What was the loss experience in previous years? Past experience should be studied for as long as possible, with attention to annual amount of loss, fluctuations year to year, and averaging out of losses over a period of years, using both dollar amounts and rates in relation to exposure.

Can we rely on this average rate of yearly loss in the future? Such an evaluation of future risk is perhaps the most important function of insurance. A large company can perform within itself the same function of spreading risk that the insurer performs for small policyholders.

How serious would an increase in loss be? There is some automatic protection, if the buyer makes the same estimate of losses in fire insurance that the insurer does, and losses prove to be twice as great as estimated, the losses have been increased only to the amount of premium that would otherwise have been paid. If losses increase beyond this point, the company's financial position become important; if

(CONTINUED ON PAGE 27)




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Can't Cut Wis. Auto Rates, Agents Told at Meeting

(CONTINUED FROM PAGE 4)

way in the morning session consisting of a panel discussion of activities of the Racine association, which has come in for its share of national awards, the agents were told there would be a bureau announcement on auto rates. This caused a flurry of excitement and open speculation that at last some competitive ammunition was forthcoming. Faces grew long, however, after Mr. Fuller's talk.

Overshadowing all insurance discussion among Wisconsin agents representing stock companies is the problem of meeting price competition. Many of the agents report that they have lost not only the auto business of clients of long standing, but also dwelling coverages as well as some of the higher premium producing commercial lines. Companies which are writing at lower premiums in Wisconsin, agents say, are conducting aggressive campaigns, including extensive newspaper advertising, based primarily on the price differential. This differential is of such



Pictured at the Wisconsin Assn. of Insurance Agents mid-year meeting at Madison: From left, Lester Brown, Madison; John S. Warren, mid-west manager of General Accident; Donald Oakland, Madison; Paul H. Mast, new executive secretary of the Wisconsin association; John R. Fishdick, executive secretary of the Milwaukee board; L. J. Walker, Berlin; Frank Johnson, vice-president of the Madison board, and Louis Brechler, Madison.

substance that it is winning over assured the agents heretofore considered untouchable by competition of any sort.

At a business session, the association presented a unanimous front on two current insurance problems. J. L. Ashton, Milwaukee, state national director,

solicited directions as to the position he should take on the proposed discontinuance of the annual extension plan and of the windstorm coverage of TV antennas under the E. C. endorsement.

After Mr. Ashton pointed out that loss experience is good on TV antennas under the E. C. endorsement in Wisconsin, all thumbs were turned down on removing it. The agents unanimously favored getting rid of the extension plan.

President Don R. Morrissey, Appleton, opened the meeting and introduced Kenneth Killberg, president of the Racine association, who presided at that group's panel discussion. Participants were F. Dewey Liegler, Sidney E. Nelson, Robert Johnson, Robert Schnetz, Sherman Blandin, Glover Miller, and John J. Batenberg, vice-president of W.A.I.A.

Mr. Liegler reviewed the association's history and described the current procedure for handling city and county insurance which has resulted in the reduction of the number of policies from 342 to 15. In cooperation with the city, an advisory council was set up which supervises city coverage. Commission from the business are pooled and apportioned among agents at the end of the year.

Mr. Nelson described a traffic safety program the association is backing and Mr. Johnson discussed formulating programs that will assure consistent attendance at agent meetings. Mr. Schnetz talked on publicity, stressing that newspaper advertising can be an important association activity; Messrs. Blandin and Miller talked on fire prevention activities and Mr. Battenberg related how coordination with other legislative committees, such as the

chamber of commerce, can aid agents materially in effecting favorable legislation.

The afternoon program consisted of addresses by Governor Kohler; Captain A. C. Pope of Dane county traffic police; Ward P. Knowles, state senate majority floor leader, Mark Catlin, Jr., assembly majority floor leader, Urban Krier, who resigned recently as executive secretary of W.A.I.A. to become assistant manager of U.S.F.&G. at Milwaukee, but is continuing as association legislative counsel; Paul H. Mast, new executive secretary, and a showing of the film "The Weakest Link."

Governor Kohler in his talk praised the agents for their efforts to reduce traffic accidents. He also pledged his support to bring about desirable legislation affecting the business.

Mr. Krier told the agents that a big step has been taken toward a closer cooperation between companies and agents in solving problems with the formation of the Wisconsin advisory committee to National Bureau of Casualty Underwriters. Mr. Krier has been appointed chairman of this group, which will strive to bring the National Bureau closer to W.A.I.A. and the Wisconsin insurance department. Members are George F. Conway, Fidelity & Casualty; Lewis Wargin, Hartford Accident; E. A. O'Neill, Royal-Liverpool, and John G. Bauernschmidt, Maryland Casualty.

Except for a bill that would have eliminated the state fire fund, Mr. Krier said that legislation affecting insurance is moving along nicely. Principal measures are an agent's examination bill and one which would bring about a level premium tax for all companies. Presently some domestic companies do not pay premium tax.



Leading personalities of Wisconsin Assn. of Insurance Agents at the Madison mid-year meeting. Seated, Don R. Morrissey, Appleton, president, and George Timm, Racine, a past president; standing, J. L. Ashton, Milwaukee, also a past president, and Urban Krier, who recently resigned as W.A.I.A. executive secretary to become assistant manager of U.S.F.&G. at Milwaukee.



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Par Lea

A group of men in suits, including John L. Ashton, are shown in a photograph. The text mentions Orleans, with agents, Fire, M, accom, a conge, of them, sessions, many a, terest, number.



John L.

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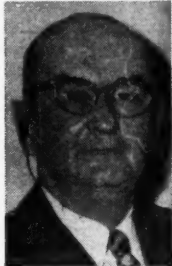
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Paramount Fire Leaders Confer

A group of about 325 was at New Orleans for the festivities connected with the annual gathering of the agents advisory council of Paramount Fire. Many of those attending were accompanied by their wives. This is a congenial and intimate group. Many of them have been together at these sessions for a dozen or so years and many also have close ties through interest in Mortgage Bankers Assn. A number are prominent in insurance



John L. Mylod



Owen M. Murray

organization affairs such as W. E. Harrington of Atlanta, former president of N.A.I.A. and J. Ed Stein of Provo, president of Utah Assn. of Insurance Agents.

There were many present from the Pacific National Fire organization since Trans-America owns the majority stock of Paramount. That group included John L. Mylod, the president; Walter H. Vernier, who is now going to the head office as executive vice-president; W. B. Winchell and George Leonard, vice-presidents; Jack Brough of San Francisco, vice-president, and Pacific Coast manager; G. L. Hubbard, vice-president and western manager; W. L. Greenway, assistant vice-president.

There was a business session one afternoon over which Orville E. Hodge, who is the state auditor of Illinois, presided. Until he assumed his federal office, one of the directors of Paramount was W. Walter Williams of Seattle, who is now under-secretary of commerce. One of the council is Guy T. O. Hollyday, federal housing administrator. Messages of sympathy were sent to Mrs. Alma M. Dalmar of Chicago and Herman K. Huessler of Buffalo, who were unable to be present on account of illness.

Last Saturday there was a luncheon at which Owen Murray from Dallas, the chairman of the board and the presiding genius of Paramount, presided. Everyone has a warm spot in their heart for him. Tom Collins, the famous after dinner speaker from Kansas City, gave the talk and then Robert Swantner of Corpus Christi and Fred Haberschiedt of Aberdeen, S. D., showed colored movies of their wild animal hunting trip to Africa.

Special recognition was given to John H. Ambruster, secretary of the directors advisory council; Mr. Mylod, Ennis Murray of Nashville, who was formerly president of Paramount and Mrs. Ruth Bettes, who Mr. Murray said, presides over the largest mortgage banking house in the world, it being J. T. Bettes & Co. at Houston. That company has just formed an insurance company under its wing known as Admiral Fire. It is being operated by W. M. Beale, who was vice-president of Paramount Fire and is a director of that company. Mrs. Bettes was elected as director of Paramount to take the place of W. Walter Williams.

At the business session George

Leonard gave a talk on the wind-storm situation. He noted that the tornado that struck Columbus, Ga., was exceptionally wide extending for as much as 1½ miles, and it raced through the most beautiful residential section and struck the finest classification of business from a fire standpoint. There is a facetious saying around Atlanta that the title of Margaret Mitchell's famous work "Gone With the Wind" might be appropriated for the label on the 1953 annual statements. He said that the Waco tornado was also unusual in that it swooped down without warning and hit the central business district a mighty blow.

N. Y. CPCU Has Open House

New York chapter of C.P.C.U. held its annual open house for candidates. Eugene A. Toale of National Assn. of Insurance Agents, chapter president, presided. Dean Harry J. Loman of the American Institute explained the grading process applied to C.P.C.U. examinations.

Bohlinger Sues Ga. Agency to Get Premiums That Are Due to N. Y. Insurer

Federal Judge Scarlett at Savannah, Ga., has dismissed a suit brought by Superintendent Bohlinger of New York against Mrs. Mary F. Torrance of the Eugene Torrance local agency of Savannah for \$5,634. The Bohlinger suit claimed that Mrs. Torrance had collected this money in premiums for a New York insurer and had failed to forward the money to the company. Mrs. Torrance replied that she had forwarded the funds and the matter would be adjusted before court action could take place.

Honored for Long Service

Three officers of Employers Mutual Casualty of Des Moines were honored for long service with the company.

John F. Hynes, president, was presented a matched set of luggage for his 35 years of service. John S. Kerper, general manager of the Illinois branch,

and Harold A. Watson, assistant secretary, were presented clocks. Mr. Kerper has been with the firm 25 years and Mr. Watson 26 years.

The presentations were made at a luncheon as part of the program of the annual conference and school for personnel. More than 125 staff members of the home office and branch offices participated in the conference.

Hold Woodmen Parley at Wausau

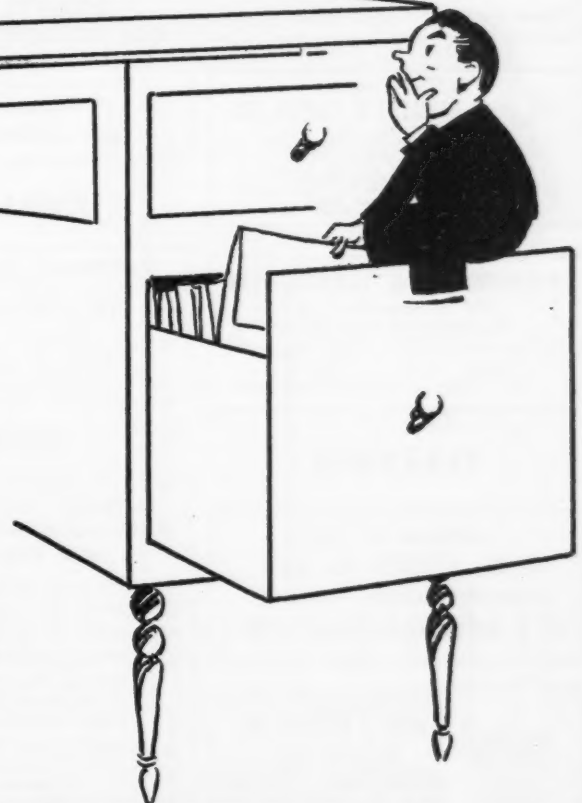
About 40 agents of Woodmen Accident from northern Wisconsin and upper Michigan attended a sales conference at Wausau, Wis., with company officials, including B. L. Gillespie, assistant to the president; Claude Faulkner, superintendent of agencies, and T. V. Gillespie.

Farrar Newberry, president Woodmen of the World, and Harold Reuquarte, president Farmers Mutual, have been reappointed to four-year terms on the committee on insurance department personnel by Gov. Crosby of Nebraska.

William Beck, Royal-Liverpool state agent, Wichita, is on two weeks duty with the navy.

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Draws Line Between Giving Mortgage and Subject to One

The Arkansas supreme court has given a decision against Resolute which denied liability for collision loss on a truck that it had insured on the ground that the vehicle had been mortgaged without authority of the insurer. The case is Resolute vs. Mize 1 CCH (Automobile) 885. The collision policy for \$5,000 with a \$250 deductible was put into effect April 3, 1950. The insured was engaged in hauling produce. In the fall of 1950 they had planned to go to California to haul tomatoes and in order to have resources available as needed, they made arrangements with a Howard

Halley whereby they gave him a mortgage on the truck to secure an indebtedness of \$3,500. No money was actually received by the insured at the time or at any other time. The money was never needed and, therefore, never obtained.

The truck was damaged in April 1951. The court said the policy does not say the contract is void in the event a mortgage is given. It merely provides that the policy does not apply while the automobile is subject to a mortgage. It cannot be said here that the truck was subject to any mortgage at the time it was damaged. Halley had given no consideration for a mortgage, and the insured did not owe him a dime for any mortgage and he held no enforceable obligation.

O'Connor Urges Political Action in Indianapolis Talk

Much of the drive for social planning, particularly in the field of insurance, is 'political expediency, and political expedience knows no party, E. H. O'Connor, managing director of Insurance Economics Society, told Indiana Assn. of A. & H. Underwriters at the May meeting at Indianapolis. He mentioned that three of the four states now having compulsory disability insurance laws got them under Republican governors who had a Republican majority in their legislatures.

Mr. O'Connor urged each insurance man to become politically minded and keep constantly after his representa-

tives in Congress to "whittle government and taxes down to size". He mentioned particularly the subcommittee under Rep. Curtis which is reviewing social security, urging that the committee be encouraged to put social security on a pay-as-you-go basis.

Mr. O'Connor was introduced by M. E. Noblet, North American Accident. Spafford Orwig, Orwig Agency, the association president, reported that the Indiana department has authorized Indiana Assn. of Insurance Agents to prepare and distribute a question and answer manual covering state license examinations for fire, casualty and A. & H. The A. & H. association will prepare the questions in the disability field.

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1953 Time Saver Is Off the Press

Signs of the continuing progress and expansion of the accident and health business are evident at first hand in the 1953 *Time Saver* for A.&H. insurance, the 30th annual edition of that publication. It is compiled each year by the Accident & Health Bulletins of the National Underwriter Co., Cincinnati. Its single-copy price is \$6.50.

The new book describes more than 1,800 individually issued commercial-type policies and riders issued by 97 companies and organizations in the United States. It stands as a yearbook of developments, in its reporting of contract coverages as they keep pace with the steady development of the A.&H. business. It includes contracts of several leading life companies that entered the commercial end of the business in the past year.

New contracts, policy revisions, added optional features, liberalized coverages, new higher limits, premium revisions are noticeable in comparing the new 1953 *Time Saver* with last year's edition. The newer policies in increased proportion conform with the uniform policy provisions of 1950 in the change-over from the old standard provisions to the more liberal clauses. The growing tendency of issuing and renewing hospital and surgical coverages to persons in the high age brackets is indicated. A trend in the realignment of premiums in keeping with changing experience is also evident. More com-

panies are adopting the practice of making available additional amounts of miscellaneous expense benefits in their hospital expense policies, some on a graduated scale based on length of hospital stay. Increases in the writing limits are noticeable all along the line—for principal sum, loss-of-time benefits, hospital benefits, nurse benefits, and surgical schedules.

In the makeup of the new book, the premium information under many contracts has been augmented, and contract descriptions are more compactly arranged. The descriptions follow a uniform pattern. They are complete as to coverages and include information as to exclusions, premiums for all ages, and writing limits. The cross-indexing under descriptions of policies as to riders that apply to each policy has been extended considerably as a real convenience to users of the book. The financial statement section is enlarged to include data of added companies, and shows a marked increase in the number of companies reporting group premiums and losses.

The book has almost 960 pages. The list of contents includes: Policy name index; leading questions as to information available; table of age limits for more than 100 companies; descriptions of policies and riders of 97 companies and organizations; specimen provisions in group, franchise, and blanket forms; wording of the uniform policy provisions of 1950 and the standard provisions of 1912; analyses of disability clauses in life policies of some 170 leading companies; financial statement information for 1952 of almost 500 companies and more than 150 Blue Cross and Blue Shield organizations; separate tables of premiums and losses in 1952 for group (200 companies) and non-cancellable (65 companies) business.

This book is a most valuable "handful" of vital A.&H. policy information. It is of handy small page-size, is printed on durable thin paper, and has red limp binding that will withstand hard usage.

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Northern of London Sets Up Coast I. M. Unit

Northern of London has established an inland marine and automobile department on the Pacific Coast with Thomas F. Woodley as superintendent.

After graduating from the University of San Francisco, Mr. Woodley was with Bank of America for ten years, and in 1944 he went with Newhouse & Sayre as marine underwriter. Later he was with Home as inland marine underwriter and special agent.

MARTIN & CO. HAS STONEWALL

The Roy Martin & Co. general agency of New Orleans has become general agent for Louisiana and Mississippi for Stonewall of Mobile. This general agency also has Marquette Casualty and Bankers F. & M. for the two states, and British General and Balois for Louisiana and Equity General for Mississippi.

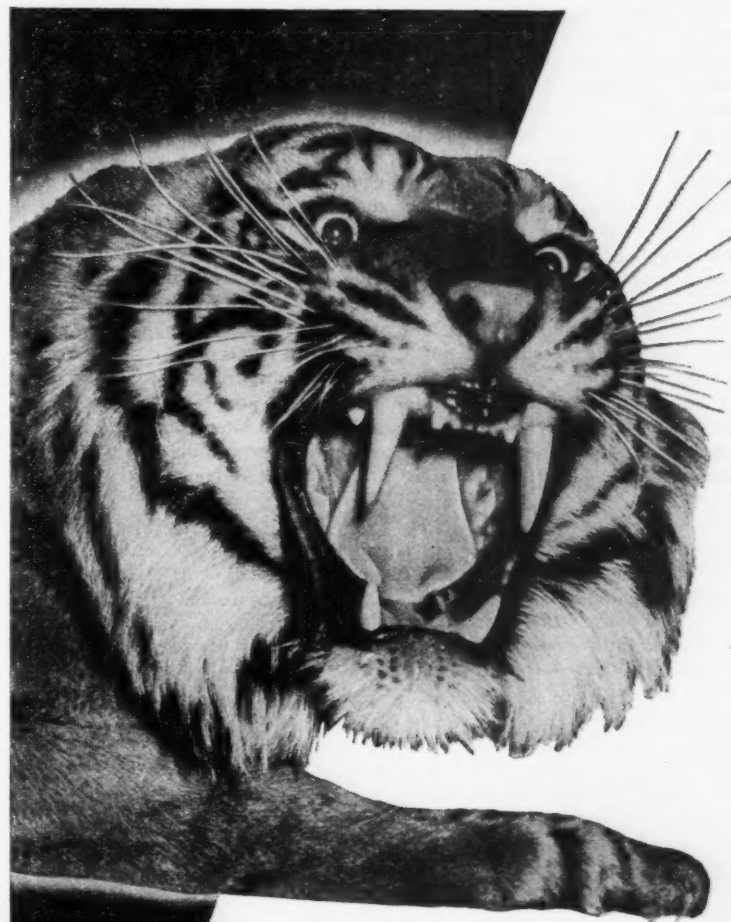
25-Year Club Honored

National Surety's Quarter Century group was honored at a dinner in Albany. Of the 98 members, five have over 40 years of service.

Defeat State Liability Bill in O.

The Ohio legislature has defeated a bill to permit the state to be sued on the written contracts and motor vehicle accidents caused by negligence of state employees.

Donel C. Woodward has returned to his position as vice-president of the Woodward agency, Niagara Falls, N. Y. He completed two years in the army.



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EDITORIAL COMMENT

The Skeleton Is Defunct

Saturday office work, at least in the large cities, has pretty much disappeared. It began to dwindle with the second war and in the times of personnel shortages it has become practically defunct, if an organism as lively as an office can be said to be almost dead, even weekend dead.

However, there still are offices that maintain skeleton forces on Saturday, where it is considered necessary to receive telephone messages and the like. In many places this skeleton staff has been reduced to one person. Some of these rear guards think of themselves as ghosts, skeleton suggesting too much bodily representation, when it is one person out of hundreds that normally occupy the premises.

At American Surety they have given the coup de grace to the Saturday ghost. At the same time they have solved something of a public relations problem on after-hour calls formerly funneled into the lobby phone for answering by elevator operator or porter.

At that company, one of the ghosts himself solved the problem. William C. Roy, manager of the service department, for several years has been one of the persons required to show up on Saturday to take incoming messages. In three years they have received only one call which qualified as an emergency. Most of the calls are of the routine type.

Today, after-hour and weekend calls are answered by a device. A telephone call starts the device to operating, and it makes the following statement: "Beekman 3-7000 American Surety. This is a transcription by Bell System automatic answering service. This office is closed until 8:35 a.m. If you

wish to leave a message talk at the first tone signal and continue until second signal." On weekends the message is changed by giving the opening time as 8:35 Monday morning and including an invitation to call a given number in case of serious accident needing immediate attention. Thirty claim men of American Surety in the metropolitan area are rotated on such service. Incidentally, the answering device works for the Brooklyn office also.

The messages recorded on the cylinder by the magnetic impulses of the device are taken off the next morning or Monday morning and properly distributed for attention.

One of the interesting calls received on the device was that from a lawyer who called after hours Friday evening. He received a bond at 9 a.m. Monday. He left full details in his call (which actually took two 28 second periods for a total of 20 cents worth of phone calls) and the company had the bond out by 9:15 Monday morning. In this case, of course, the lawyer supplied exactly the information needed to complete the bond.

The cost of the device is phenomenally low compared with any other type of ghosting with human beings. The rental is \$12.50 a month plus a \$15 installation charge. American Surety was one of the first two firms in the city to install the device.

As a matter of public relations, the new system works very well. The device always answers in a clear, pleasant voice and provides as much information as could have been supplied by a live answerer in practically all circumstances.

PERSONAL SIDE OF THE BUSINESS

The insurance agency office of Harold R. Koster at Salida, Colo., was filled with flowers by his insurance company connections on his 30th anniversary in the insurance business there and on his 60th birthday. Also there appeared that day at his office 42 representatives of his companies. Most of the insurers that he represents have been in the office the entire 30 years. He is a former president of Colorado Assn. of Insurance Agents and he was vice-president of Colorado Assn. of Finance Companies and chairman of Colorado Mining Assn.

Mrs. Hugo Dalmar, head of the Dalmar & Co. agency of Chicago, was

unable to attend the gathering of the agents' advisory committee of Paramount Fire at New Orleans due to illness. Greetings were sent to her from that convention. She was hospitalized for a brief period but has now returned home and will be hostess at a large musical gathering at her home at Evanston, Ill., Friday evening.

W. A. Seely, the western manager at Freeport, Ill., was feted on his 35th anniversary as a Crum & Forster man. He received numerous telegrams, a bouquet from the 25 Year Club at Freeport and a fancy birthday cake. He was guest of honor at a luncheon given by the members of the manage-

ment committee. Mr. Seely was in the insurance business at Nevada, Ia., when he answered an ad that had been inserted in THE NATIONAL UNDERWRITER by Harold Junker, who was then assistant western manager of Crum & Forster and is now the president.

J. Trenholm Hopkins, who recently became a partner in the firm of William M. Means at Charleston, S. C., graduated from St. John's College in 1937 and joined U. S. F. & G. at the head office. He went to Washington for that company in 1939. He was wounded in the last war and returned to U. S. F. & G. being assigned to Pittsburgh. He later became senior underwriter at Birmingham.

P. J. Priore, U. S. manager of Sun, was introduced at National Automobile Underwriters Assn. luncheon in New York, as a new groom. Mr. Priore is a past president of N.A.U.A.

Leonard M. Wise of the Fred Marks agency of New Orleans is on an extended European trip with Mrs. Wise.

A surprise birthday party was held for John Tumelty, local agent at Keokuk, Ia., on his 80th birthday. A large number of field men attended.

Miss Patricia L. Murphy of the Kemper organization has been elected president of Industrial Editors Assn. of Chicago. She is editor of four Kemper publications.

DEATHS

GUY N. GARDNER, president of Merchants Fire of Denver, died at his home in that city at the age of 64. He had suffered a long illness. He graduated at University of Denver and in 1910 started with Merchants Fire. He served as a navy officer during the first war. He became secretary of Merchants in 1924, vice-president in 1934, and had been president since 1951. Merchants Fire was started by his late father, J. R. Gardner. He had been head of Merchants Assn. of Colorado and started Merchants Fire in 1904 as a mutual company. He later sold his mercantile business and gave his entire attention to the insurance field. In those days merchants associations were forming insurance companies in various parts of the country.

RALPH B. MOUSLEY, 64 a member of the Michigan department's examining force since 1931, died in Detroit hospital. His death was unexpected although he had been in failing health for several years.

WARREN G. SPRINGER, 58, average adjuster and vice-president of C. A. Spurl & Co., of New Orleans, died.

FRED M. IVEY, 63, New Orleans, manager of the casualty department of Godchaux & Mayer, died. Mr. Ivey had spent all of his business career, about 45 years, in the service of Gen-

eral Accident. He was manager of the New Orleans branch when the company transferred to the Godchaux & Mayer general agency in 1926; he continued in the same position to the time of his death.

DOUGLAS T. WATSON, 69, with the Henry A. Steckler Company general agency of New Orleans, died. Mr. Watson was a general agent in his own name for many years and about a year ago merged his business with the Steckler general agency.

WILLIAM F. MASSMANN, manager of the fire department of the Kaiser-Howe agency, Rochester, N. Y., died unexpectedly at his home there. He was in the business 34 years, beginning with Caledonian.

GAYLORD WARNER, who had been with Marsh & McLennan at Minneapolis since 1924, died at his home in that city at the age of 75. He was general passenger agent at Minneapolis for the Rock Island railroad commencing in 1912, and in 1921 went with U.S.F. & G. He was past president of Minneapolis Kiwanis Club and past president of Shrine Chanters.

THEODORE M. BANTA, chief of the fire and marine division of the New York insurance department, died suddenly at Montreal Saturday while on a short vacation. He was 62. He was a graduate of Storrs Agricultural College in Connecticut, and had been with the New York department more than 30 years. Previously he was with the state insurance fund. He served in the navy during the first war.

PAUL F. DIRKSEN, Springfield, Ill., father of E. J. Dirksen, executive director of Illinois Assn. of Insurance Agents, died.

LOUIS T. CAIN, 70, for 30 years a local agent at Eminence, Ky., died.

JOHN T. CARROLL, head of the Carroll agency of Shreveport, La., died there.

GUY S. WALKER, who had been in the insurance business at Savannah, Tenn., 28 years, died there.

MRS. HAZEL GRAY HALL, with Crum & Forster at Topeka, died after a two-week illness. She formerly was with Great American group and was corresponding secretary of National Assn. of Insurance Women.

G. E. EBERSOHL, local agent at Murphysboro, Ill., since 1937, died at his home there following a stroke.

Federal L. & C. Has Open House in Battle Creek

Federal Life & Casualty has completed the move into its new home office in the Wolverine-Federal building at Battle Creek, where it occupies the fourth and fifth floors.

John H. Carton, president of both companies, was host along with other executives at an open house and tea for Federal Life personnel in the penthouse of the building May 19.

Wayne Van Orman, prominent New York insurance attorney, has been elected vice-president of Alumni Assn. of Columbia College.

THE NATIONAL UNDERWRITER

PUBLICATION OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
CIRCULATION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. Carl E. Weatherly, Jr., Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

Editor: Kenneth O. Force.
Associate Editors: John C. Burrage, Charles C. Clarke, William H. Faltsek and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman, and Warren Kayes.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadia, Southwestern Manager.

DETROIT 26, MICH.—1102 Lafayette Bldg., Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

Executive Editor: Levering Cartwright.
Production Manager: Robert J. Lynch.
Teletype CG-654



KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

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Howard J. Burrage, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Richard F. Black, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

W. C. Are

Comp Bureau the cor rates e level is effect a ment of rate ch Earned 688,038. The inc consists .5% for maximu death fi

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WAC

The availabl page o Store e will b prices up to 1 from 250, 31 from 1 ders o

W. C. Rates in N. J. Are Increased 3%

Compensation Rating & Inspection Bureau of New Jersey has adopted and the commissioner has approved new rates effective July 1. The collectible level is 3% higher than presently in effect and includes a complete adjustment of rate relativity. The manual rate change is an increase of 2.6%.

Earned premiums in 1952 were \$56,688,038, incurred losses \$38,476,538. The increase of 3% in collectible level consists of 2.5% for experience and .5% for the July law change increasing maximum weekly benefit in case of death from \$25 to \$30.

In manufacturing the increase in rate level is 5.9%, construction and erection 1.9% and in all other groups there is a decrease of 1.2%. There are 357 classes that will have increases, 160 decreases and 86 unchanged. Rate for outservants is increased from \$30 to \$32 and inservants from \$22.50 to \$24.

Among changes in the experience rating plan, which are effective July 1, is reduction of experience period from five to three years, the better to reflect current conditions. The self-rating point has been set at a three-year manual premium of \$204,000 which on an annual basis is the same as at present.

E. C. Bowe, 47-Year Minn. Veteran, Retires

Ernest C. Bowe, who for 47 years has been the Minnesota state agent of Springfield Fire & Marine, has retired at his own request. Mr. Bowe's entire insurance career has been in the state of Minnesota. He started with the old General Inspection Bureau of Minneapolis, which is now Fire Underwriters Inspection Bureau.

On June 1, the field men will give Mr. Bowe a dinner at Minneapolis. M. B. Ryon, Fire Underwriters Inspection Bureau, is general chairman of the affair.

WACO LESSON REPRINTS

The National Underwriter is making available the picture layout on this page of the R. T. Dennis Furniture Store at Waco—before and after. This will be on a sheet 8½ x 11 and the prices are: 10 cents a copy for orders up to 10; 8 cents from 10 to 50; 6 cents from 50 to 100; 4 cents from 100 to 250; 3½ cents from 250 to 1000; 3 cents from 1000 to 2000 and 2 cents for orders of more than that.

Waco Storm Furnishes Lesson in Wind Insurance to Commercial Risks



The Waco tornado of 1953 furnishes a warning to commercial risks especially of the devastating force of such an occurrence and the importance of buying sufficient windstorm insurance protection. At the left is the five-story brick joisted building of R. T. Dennis Furniture Co. as it appeared before the storm, with Dennis warehouse in the rear. Below is shown the post-tornado view of the same structures, along with the ruins of the Joy theater. The Dennis organization carried business interruption insurance but on account of fire only, doubtless sharing the too common but mistaken view that a windstorm loss in most regions to a commercial structure won't be crippling. For a property owner anywhere in the U. S. to assume his own windstorm risk or any part of it is a bad gamble.



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MARKET
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Miss Clara Muller Advanced

Miss Clara E. Muller has been elected secretary of Southern American to succeed the late E. W. Slater. For many years, Miss Muller has been executive-secretary and assistant manager of the insurance department of E. H. Crump

& Co. agency of Memphis, which owns and operates Southern American.

The film, "Peace of Mind", dramatizing the role of the insurance agent, was shown at the May meeting of Springfield, Ill., Assn. of Insurance Agents.



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AND ALL LINES
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**BITUMINOUS CASUALTY
CORPORATION**



ROCK ISLAND, ILLINOIS

Admiral Fire of Houston Launched With Strong Backing

Admiral Fire that has been launched at Houston under the wing of the big mortgage banking firm of T. J. Bettes & Co., starts off with \$500,000 capital and \$800,000 net surplus. The 2,500 shares of \$20 par value stock were sold at \$52. Although this is controlled by the Bettes organization there are 42 stockholders in all. Ruth R. Bettes is chairman of Admiral. Just this week she was elected a director of Paramount Fire. John F. Austin of Bettes & Co. is president of Admiral and the executive vice-president and treasurer is Donald McGregor who is executive vice-president of Bettes & Co.

Admiral has been licensed in Arkansas besides its home state. The head office is in the Sterling building at Houston.

Mr. Beale will be the chief operating officer. He has been vice-president and director of Paramount Fire and has been with that company since its inception 13 years ago at Philadelphia and New York. Mr. Beale started as a local agent at Murray, Ky., in 1933 and from 1934-39 was Memphis manager of H. O. L. C.

Tells What Is Expected of Insurance Buyer

Horace P. Liversidge, chairman of Philadelphia Electric Co., told American Management Assn.'s insurance conference in New York that his company has placed its insurance department at the management level under the jurisdiction of a senior officer of the company. It has learned that there is no phase of the business that does not involve some sort of insurance problem.

His company's management expects the insurance department to assume responsibility for risk analysis, for risk removal or reduction, and for providing the proper types of indemnity contracts in the proper amount, without depending solely on brokers.

The insurance administrator must have legal knowledge, engineering ability, familiarity with accounting practices and procedures, understanding of economic principles, and a thorough and comprehensive knowledge of insurance. Also, he should know and understand the company's corporate structure, operations, contractual relations and obligations, physical property and assets, and special problems.

The ultimate importance of the position depends to a large degree upon the man's ability to sell both himself and department to top management. It is management's responsibility to recognize that importance after the buyer has proved its existence.

\$500,000 NEW ORLEANS LOSS

Loss exceeding \$500,000 was caused in the fire that struck the feed mill of J. T. Gibbons, Inc., at 2700 Harvard street, New Orleans. The entire line is handled by the Hartwig Moss agency.

Is Now Celina Mutual

Celina Mutual Casualty of Celina, O., has now changed its name to Celina Mutual Ins. Co.

Son Joins MacNeill Agency

Malcolm G. MacNeill has joined the Frank R. MacNeill general agency of Miami and the name has been changed to Frank R. MacNeill & Son. Malcolm

MacNeill has become a full partner, and the agency has moved to new quarters at 1032 S. W. First Street.

Secured Group Agents' Day

Approximately 200 agents from Indiana, Ohio, Michigan and Kentucky attended the annual Agents' Day of the Secured group of Indianapolis. Participating in the program were R. B. Parrott, president of Secured Fire & Marine and Secured Casualty, and founder of the Secured group, and R. W. Miles, vice-president and general manager of the Secured group.

Gatfield Goes on His Own

John P. Gatfield, who for 3½ years has been with the Scott Wetzel adjusting firm at Salt Lake City, has opened his own adjusting office at Reno, Nev.

Mr. Gatfield started in the business as an adjuster with St. Paul-Mercury Indemnity in 1939 at Detroit. He served in the air corps during the war and then was with St. Paul for a year before joining American Casualty as claims manager for Michigan. Three years later he went with Scott Wetzel.

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Gives Advantages of Private W.C. Cover

A number of points favorable to the private insurance of workmen's compensation were adduced at the hearing of the Ohio house insurance committee by Frank Lang, who heads the research department of Assn. of Casualty & Surety Companies.

Private insurers are prompt in payment, he said. In Wisconsin, which has no state fund, payments began within 15 days in 88.3% of the claims during 1951-52. In three other states where no state fund exists the figures were: North Carolina, last half of 1952, 15-16 days in 43% of the cases; Virginia, last half of 1952 for the non-coal group, 14 days in 48% of the cases, and in Florida within two weeks in 56.9% of the cases in 1952.

In Michigan, which has a competitive state fund, for the first half of 1951, payments started within two weeks in 78.4% of the uncontested cases handled by insurers and in 22% of the uncontested cases handled by the state fund. In Idaho, which has a competitive state fund, in 1950 the average lag was 29.84 days for casualty insurers and 37.63 days for the state fund.

In New York in the first half of 1952 payment was made within 18 days of injury in 76.8% of the cases. In Ohio it takes approximately 60 or more days after injury before claimant receives his first check.

There was testimony in Ohio to the effect that the average number of claims and accidents per unit of employment in 1950 was about twice as great as that for Pennsylvania, Kansas and Iowa. The accident rate in Ohio for 1949 was eight times as great as that in Kansas.

Casualty insurers spend more than \$20 million a year to support activities of thousands of engineers and specialists that they employ to hold down accident frequency. They contribute to a number of safety organizations whose work it is to reduce accidents.

Insurers contest very few W.C. claims. In Virginia only about 1% of all reported cases were controverted in 1950, in Michigan about 3%, in Florida less than 4%, in New York 4.5% (all carriers). The record is similar with respect to court appeals.

However, in Ohio, admittedly the claim procedure is one of the most complicated in the country—in 1951 after special informal hearings, oral hearings, second special hearings, 7,760 hearings in the nature of court trials were scheduled.

As to cost, in Ohio the fund is a monopoly. In states where competition is permitted most insurance is written by private insurers; state funds write only about one-fourth of the total W.C. writings, despite many unfair competitive advantages given to such funds by law.

State fund insurance has many hidden costs. Ohio taxpayers are said to pay \$5 million biennially to support the fund, in addition to tax funds used to pay for the staff from the attorney general's office to represent the fund in compensation claims, and the cost of financial assistance provided by the treasurer's office space and maintenance.

Employers must pay independent service bureaus for service which insurers furnish but the state fund does not adequately provide, including safety, claim service, auditing, etc.

It is estimated that such costs amount to 5 to 25% of premiums paid by employers to the state fund. Insurers pay taxes, which the fund does not.

Private insurers make available various rating plans together with premium discounts where savings in operating costs can be achieved, as an incentive to effective safety work. The testimony with respect to the Ohio fund's rating is that it is most unsatisfactory, crude and inequitable.

The spur of competition is as necessary in W.C. as it is in business in general, Mr. Lang said. The experience has shown that it is not necessary for the state to provide the necessary insurance for W.C. No state has created a monopolistic W.C. insurance fund in more than 33 years. Ohio is entitled to get the advantages of competition, he declared.

Doolittle Torrington Speaker

H. J. Doolittle, engineering consultant and superintendent of survey department of Aetna Fire, addressed the Torrington (Conn.) Exchange Club May 18 on "Coordinating Your Insurance Program."

Stock Company Assn. Elects Reynolds and Rearden

At its annual meeting in New York, Stock Company Assn. elected W. J. Reynolds of Corroon & Reynolds president, H. W. Miller of Commercial Union vice-president and treasurer, and the following executive committee:

Perrin C. Cothran, Phoenix-Hartford, C. M. Gallagher of Atlas, W. A. Hebert of Springfield, Victor Kurbyweit of America Fore, H. P. Latham of Aetna Fire, Mr. Miller, Leonard Peterson of Home, William B. Rearden of Firemen's, Mr. Reynolds and W. S. Vanderbilt of Hartford Fire. Edward I. Taylor was named general counsel, and Gale C. Morgan was reappointed secretary-manager.

Koury to Kansas Field

Aetna Fire group has appointed G. J. Koury as special agent in the casualty department at Kansas City. He has been with the western department since 1948 when he graduated from Purdue University. He has also at-

tended the multiple line training school at the home office.

N. D. Field Men to Rally

North Dakota Fire Underwriters Assn. has scheduled its annual meeting for May 25 at Fargo. Walter G. Dithmer of Western Underwriters Assn. will be the principal speaker.

The group has planned a joint meeting with North Dakota Fire Prevention Assn. which will be at Bismarck, and at which new officers of both associations will be elected.

G.A.B. Promotes Rouse

General Adjustment Bureau has promoted Thomas E. Rouse, Portland, Ore., to branch manager at San Jose, Cal., succeeding Arthur J. Handsen, resigned.

Mr. Rouse entered insurance with the local agency of Benton & Rouse, Norton, Kan., and later joined Western Adjustment as an adjuster. In 1947 he went with the Pacific coast department of G.A.B.

Inspect Greenville, Miss.

Mississippi Fieldmen's Assn. had 51 members on hand for an inspection of Greenville.



What are the ODDS?

General insurance agencies appraise needs and prescribe coverages in order of their importance.

But do you know... take a man age 35, for example... that

DURING THE NEXT 20 YEARS

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- Chance of death . . . 1-6

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P.S. Continental has no "double standards." You get same deal, same contracts, as "regulars."

Waco Suffers Badly from Underinsurance

(CONTINUED FROM PAGE 1)

stories, stood up well. Also a five story hotel built about 1908. The construction of both of these was very heavy. On the other hand there was a three-story hardware building of semi-mill construction that was ruined.

"Waco," he said, "always felt im-

mune to tornado damage because the Indians (Waco was named for the Huaco tribe who used to occupy the area) had a legend that no tornado could damage Waco because it is in a small valley. While this made liars of the Indians all right, at the same time the false security cost the citizens millions in uninsured loss."

The damaged area is about five miles long and four to 12 blocks wide.

The residential areas that are hurt are mostly of the low income people. The business hurt is mostly the older area including a sizable number of wholesale and manufacturing establishments.

The Amicable Life building which is right across the street from the R. T. Dennis Furniture Co. five story building that was completely ruined, suffered only glass damage, and some falling plaster. This is a 22 story building and the highest one in the city. The head office building of Texas Life about a block away suffered only minor damage.

Mr. Miazza now estimates the insured loss at San Angelo in the tornado that struck the same day as the one at Waco, at \$1 million. The damage lay in the east-west section half mile wide and two miles long in the north central and north west portion of San Angelo. There were many total losses in the central section of this area. The most seriously damaged structures were the Lakeview High School, Rocket Drive-in Theater and the buildings on the fair grounds. G.A.B. estimates there were 200 dwellings destroyed, 200 dwellings heavily damaged, 25 mercantile and schools badly damaged, 800 dwellings slightly damaged.

G.A.B. has a force of extra adjusters and clerks at San Angelo and the temporary setup is under the direction of A. R. Marlow and Ed Robertson of the departmental staff, assisted by branch manager L. M. Calkin.

Record Crowd for AMA Conference at N. Y. C.

(CONTINUED FROM PAGE 4)

premises outside the buildings of insured. The trucks must be licensed. The objective here was not to pick up stocks of automobiles if the policy were written on an automobile manufacturer.

Personal property at a plant under construction probably would be covered, he said. It is an interest policy, however, and the coverage would cease when the building becomes a part of insured's realty. It does cover surveying equipment, tools, etc. wherever they are.

Is a loss caused by the dishonesty of employees of a public warehouse covered when insured has merchandise stored in the warehouse? Yes. Mr. McCullough pointed out that if a railroad employe (not the railroad) stole the merchandise, it would be covered; consequently it is covered when the loss occurs in a warehouse under these circumstances.

Such real property as bridges and trestles are not covered by the policy, he said.

What does "any one flood" mean? The questioner pointed out that one river might flood, causing a flood in another river, and leading to a flood in a third river. Is this one or three floods? Mr. McCullough said he did not know.

Does the policy cover damage to insured's personal property caused by steam boiler explosion? Yes, it covers property included in the policy as a result of this hazard. Does it include Canadian storage or office locations? Not at this time, he said, though it might cover goods in transit through Canada if it were moving between two points in the United States, but not at location in Canada. Perhaps eventually the policy will become international and not merely interstate.

C. Henry Austin, manager insur-

ance department of Standard Oil Co. (Indiana), Chicago, said that the insurance department should establish and maintain adequate statistical records to guide its decisions and to support and justify its recommendations for any expenditure that goes into the price of the product or service. The cost of insurance is an integral part of the cost of doing business. He must keep records to determine the need for coverage and its adequacy as well as to understand the underwriting or rating factors used by the underwriter, determine adequacy of coverage, do accident prevention work, etc.

He criticized the viewpoint that the insurance manager need not maintain statistical records because the producer or insurer has them. This argument obviously does not apply to uninsured hazards and is not even valid for insured ones because neither producer nor insurer can possess so intimate an understanding of the organization and its operations.

Many fire and casualty companies now restrict writings to preferred risks, Mr. Austin said. If the buyer cannot demonstrate to a prospective insurer through adequate statistical data that the risk is preferred, or show that present losses are unusual in the light of previous good experience, he may have some difficulty in securing needed coverage.

N.F.P.A. Holds Annual Gathering at Chicago

(CONTINUED FROM PAGE 1)

gave an address. The Chicago chapter of Fire Protection Engineers is the first local chapter of S.F.P.E. and Mr. Ahern presented the group its charter. Los Angeles wants to have the second chapter.

The fire marshals section as usual had its meeting Monday. The new chairman is J. R. Yockers of California. First vice-president is H. F. Johnston, chief of the fire protection bureau of Milwaukee; second vice-president C. S. Mullen, Jr. of Virginia; secretary G. C. Hood, chief fire prevention bureau at Fort Wayne, and executive secretary is C. S. Morgan of N.F.P.A.

Everybody Gets Reelected

Martin W. Lewis, general manager, and other headquarters officials were reelected or reappointed at the time of the annual meeting of Surety Assn. of America. Representatives of 74 companies attended. The insurers elected to the executive committee are Aetna Casualty, American Automobile, American Surety, Century Indemnity, Columbia Casualty, Continental Casualty, Employers Liability, Fidelity & Casualty, Fidelity & Deposit, Hartford Accident, Home Indemnity, Maryland Casualty, Royal Indemnity, Standard Accident and U. S. F. & G.

Northrop to Mich. Dept.

William S. Northrop has joined the underwriting department of the Michigan department's property insurance division, succeeding Jay Chapman, resigned. Mr. Northrop has been with Michigan Millers Mutual for more than 5 years.

Huette F. Dowling and Frank T. Moses, attorney and secretary-treasurer respectively of Pennsylvania Assn. of Insurance Agents, spoke at the annual stag banquet of Blair County Assn. of Fire & Casualty Agents at Altoona. President John R. Martin presided.

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FIRE • AUTOMOBILE • INLAND MARINE

Mich. Agents Want Auto Bureaus Merged

LANSING, MICH.—The Michigan automobile rate situation from the standpoint of agents using the big stock carriers' facilities exclusively is reported to be extremely precarious.

J. Grant Moore, Port Huron, president of Michigan Assn. of Insurance Agents, sent this telegram to the recently created special automobile committee representing the major companies:

"Not desiring to flood the special automobile committee personnel with letters and telegrams, this is speaking for virtually our entire membership representing bureau companies, requesting consolidation of the two bureaus for some necessary immediate action to save the remaining business."

President Moore has called a meeting of the executive committee here May 26 "in order that we might intelligently inform these officers of company attention and action." The companies' committee was sent a copy of the letter, informing the executives that "we would appreciate having response by that date."

J. R. Hughes Goes from N. Y. to Am. Auto Head Office

James R. Hughes, vice-president of American Auto, has been transferred from New York where he has been chief executive of the branch, to the head office to assume important executive responsibilities.



J. R. Hughes

New chief executive at New York is Matthew S. Dunne, who is an assistant vice-president and has been second in command at New York since 1950.

Mr. Hughes graduated at Annapolis in 1921, then after six years in the navy started with American Automobile in 1927. He served at Chicago and St. Louis and then in 1930 opened the Philadelphia branch. He was elected vice-president in 1949 and became the New York manager.

Mr. Dunne attended New York University and went with American Auto at Pittsburgh in 1951. He saw navy service during the war, then returned to American Auto. He served as senior underwriter at the head office and has been at New York since 1950.

Banks, Insurers Confer on Plans for Broader Coverage

(CONTINUED FROM PAGE 4)

improvements in drafts of the proposed combination safe depository policy which it is hoped will become available within the next few months. This will indemnify customers for damage to and destruction of their property from any cause instead of the damage and destruction being restricted to that caused by burglary, robbery, vandalism or malicious mischief. This is in addition to covering legal liability and loss from burglary and robbery. The new policy is designed so that a bank may purchase burglary and robbery and liability insurance in the same or varying amounts or insure any one or two of these hazards. A higher premium is charged to insure money against burglary, robbery, damage or destruction than is charged to insure all other

property. Reductions estimated as totalling about \$60,000 to \$70,000 annually are contemplated in the rates charged for safe deposit liability coverage when the new policy becomes available. The total premium volume for such insurance is only about \$600,000.

Bank-Shareowners' Advisory League of Illinois asked the insurance and protective committee to give approval to the form of excess fidelity insurance that it proposes to issue through Lloyds when enough banks have applied for the insurance. The committee states that it concluded that no action should be taken on this "since the problem of excess coverage for banks is sufficiently important to warrant more thorough study." The main factor in this program is Scarborough & Co. of Chicago, and the president of Central National Bank of that city.

The bankers listed four favorable aspects of the insurance offered by the league, but on the unfavorable side noted that in order to get the insurance the bank must be a member of the league and certificates can be issued only to the resident agent selected by the league and who negotiated for the

coverage through Lloyds; also that Lloyds is licensed only in Illinois and Kentucky and this gives rise to questions as to whether issuance of the insurance through the league complies with the laws of the various states on unauthorized underwriters.

C. S. Laidlaw to Be New Head of FCIC

(CONTINUED FROM PAGE 4)

tion this year had some difficulty in Congress.

Although outnumbered, Mr. Cullison and Mr. Swanebeck were able to make a number of changes in the operation in FCIC during their tenure. FCIC gets all its expenses from the Treasury, but Messrs. Cullison and Swanebeck were able to get across the point that losses at least should be paid from premium income and rates should be set accordingly. They wielded considerable influence in keeping FCIC on an insurance rather than a subsidy basis.

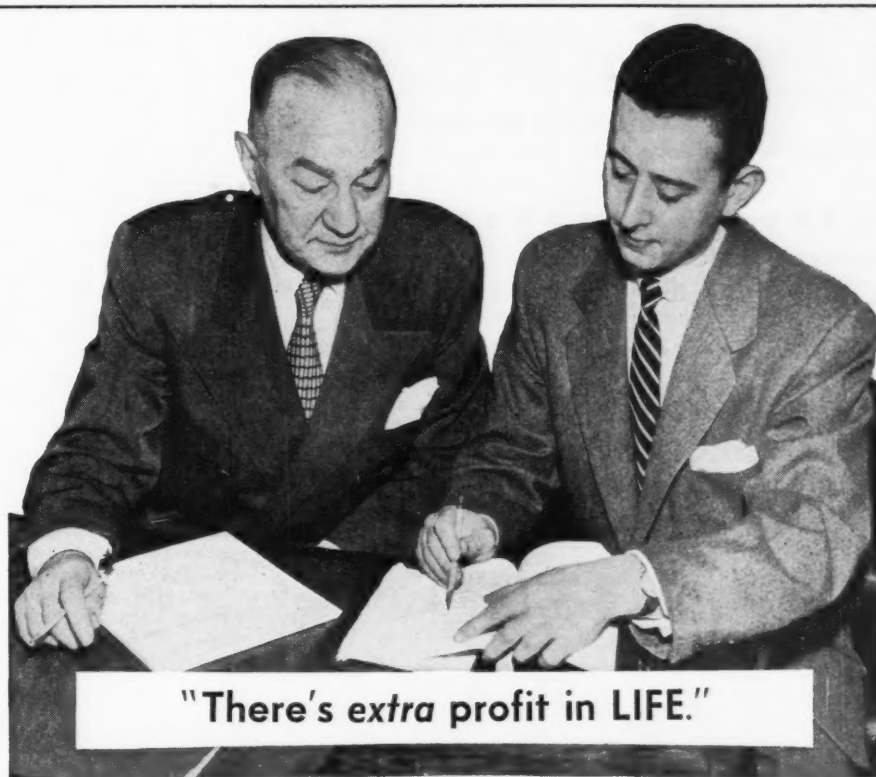
Mr. Roth, as manager of Crop-Hail Assn., has been for several years improving the statistical setup in the hail

business. Crop-Hail Assn. is now the official advisory and reporting outlet for nearly all stock hail insurers, and the figures are being refined to show experience by crop by township throughout the U. S. This is a tremendous undertaking, but the end view is to establish a more scientific rate making procedure for the crop-hail business. Mr. Roth's background in this subject, it is thought, will be helpful to FCIC.

Minnesota Farmers Mutual, from which Mr. Laidlaw will be taking a leave of absence, specializes in tornado and hail insurance on farm properties. Mr. Laidlaw has been head of the company for many years and has a sound background in the problems of crop insurance.

Party to Honor Stetner

Kentucky Blue Goose has arranged for a party at Louisville May 25, in honor of George Stetner, former state agent of North America for Kentucky, recently transferred to Milwaukee to head a new service office there. He was most loyal gander of the Kentucky pond.



"There's extra profit in LIFE."

General insurance man Julius Jacobs (left) 223 W. Jackson Blvd., Chicago, discusses a Life case with Alfred P. Lasker, Prudential Assistant Manager.

Julius Jacobs, general insurance man in Chicago for many years says, "I increased my income substantially last year by selling Life to my regular accounts."

Julius Jacobs is just one of thousands of general insurance men making money through Prudential's Life Department plan. Our Life Department plan is especially designed to make Life selling easier for you.

Take advantage of this money-making free service. Call the Prudential Ordinary Agency nearest you or mail this coupon.

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Newark, New Jersey

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Cinci Casualty Managers To Hold Golf Outing, Vote

Assn. of Casualty and Surety Managers of Cincinnati has combined its annual meeting, including election of officers, with the yearly golf outing.

The affair will be held at Cloverbrook Country Club June 5.

The nominating committee has put up for election E. C. Schoumacker, Maryland Casualty, president; F. H. Smith, Aetna Casualty, vice-president; E. J. Herndon, Home Indemnity, sec-

retary, and J. M. Whiteside, Travelers, executive committee member. Outing arrangements are in charge of C. T. Baumgartner, Hartford Accident, and Mr. Smith. The nominating committee consists of G. J. Burr, Travelers; R. B. DeVore, Hartford Accident, and W. P. Fisher, Standard Accident. H. B. Hupp, U. S. F. & G., is the outgoing president.

Travelers Names, Shifts Managers, Field Supervisors

Several changes in the ranks of managers, assistant managers and field supervisors have been announced by Travelers in its casualty, fidelity and surety, and fire and marine lines.

James Logan, assistant manager at Albany, has been promoted to manager at Syracuse, succeeding Preston D. Fogg, retiring after nearly 28 years

with the company; and Gerald J. Rice, assistant manager at Hartford, goes to Manchester, N. H., and Portland, Me., replacing Lawrence J. Winston, who has been transferred to the Boston office.



Preston D. Fogg

Mr. Logan joined Travelers in 1928 in the home office underwriting department, was appointed special agent at Syracuse in 1937 and Albany in 1940. He was appointed assistant manager there in 1942. Mr. Fogg joined Travelers in 1925 as assistant manager at Syracuse and was promoted to manager there in 1927.

Mr. Rice, with Travelers since 1927, was appointed special agent at Hartford in 1936 and at Detroit in 1938. He



James Logan



Gerald J. Rice

was promoted to assistant manager there in 1947 and in 1950 went to Hartford in the same capacity. He will make his headquarters at Manchester.

Named assistant managers are: Wilbur J. Trueman, Toronto, formerly field supervisor there in casualty lines; Edwin P. D. Spence, fidelity and surety, Kansas City; and Donald H. Garlock, formerly field supervisor at Dayton, to Columbus in fire and marine. Transferred are: Raymond Johnston from Kansas City to Grand Rapids; Elston K. Smith from Grand Rapids to Detroit; Thomas E. Wilson from Detroit to Boston; Gould A. Hurlbutt from Boston to Atlanta, and Lyle C. Spring from St. Louis to Houston.

Field supervisors transferred by the company are: John H. Hanks, fidelity and surety, New York City, to San Francisco, and Roger A. Roy, casualty, fire and marine, from Montreal to Quebec.

New field supervisors are: John R. Pyle, Albany; Andrew J. Orr, Portland, Me.; J. Burns Smith, Dallas; Edward L. Norris, Seattle, John W. Klap, Grand Rapids; William G. Carter, New York City; Keith D. Tibbets, Los Angeles, and Clifford D. Heston, Seattle.

Kenneth W. Soule resumes as field supervisor at Syracuse with headquarters at Albany, following military service.

Walter L. Mess, former assistant secretary of Thomas J. Fisher & Co., has joined the Donald H. Richardson agency of Washington as manager of its insurance department.

Plans for W. C. Probe in Washington Discussed

At the annual meeting of Assn. of Washington Industries held at Seattle, a panel consisting of Rep. John Yearout, Aberdeen; Senator Pat Sutherland, Seattle, and John Warme, of the George W. Rourke agency, Seattle, discussed the workmen's compensation situation in Washington. The panel was moderated by Harry A. Binzer of Bellingham.

Both Rep. Yearout and Senator Sutherland were appointed by the legislature to serve on an 11-man interim committee on industrial insurance which is to report its findings to the 1955 legislature. Mr. Warme is chairman of the workmen's compensation committee of Washington Assn. of Insurance Agents, which sponsored a bill in the recent session of the legislature to establish a competitive system. When that bill was bottled up in committee, Rep. Yearout led a successful battle to have created a committee to investigate the entire situation.

Senator Sutherland, who was formerly connected with the attorney general's office handling industrial insurance cases, outlined the difficulties that office has had with workmen's compensation cases due to the lack of careful following up of employers and their attorneys in handling litigated cases.

Mr. Warme compared the greatly increased industrial insurance rates over the last 10 years in Washington under the monopoly system with the results in competitive states. The figures indicate, he said, that costs in Washington are so out of proportion with other states that they are "difficult to believe".

Economy Auto Enters Fire Field, Names J. W. Telin

Economy Auto of Freeport is now writing fire coverages in Illinois and has applied for fire licenses in the other states in which it operates. Heading the new fire underwriting department is John W. Telin, formerly with the western department of Crum & Forster.

Economy is constructing a new, modern home office at Freeport, with occupancy expected toward the end of this summer.

A University of Wisconsin graduate and an army veteran, Mr. Telin entered the business with Crum & Forster in 1947 at Milwaukee. He subsequently served at Fargo, N. D.; Sioux Falls, S. D., and Detroit, in addition to the western department at Freeport.

N. B. & M. Promotes Mueh

Ronald D. Mueh has been appointed Pacific Coast inland marine superintendent for North British & Mercantile. He is a graduate of University of California and entered the insurance business in 1937. He went with North British in 1947 as inland marine underwriter and was transferred to the southern California field in 1951.

THEY MADE HISTORY

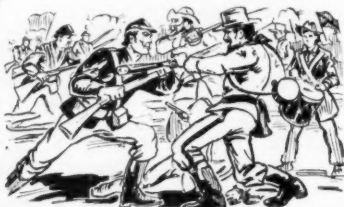
It Happened While He Was President



ABRAHAM LINCOLN

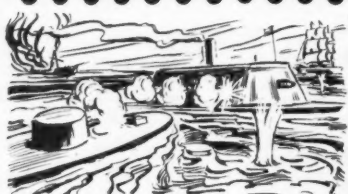
Sixteenth President, one of the world's truly great men. Born February 12, 1809; assassinated April 14, 1865; died April 15, 1865.

16: ABRAHAM LINCOLN



WAR BETWEEN THE STATES

1861 - 1865.



FIRST BATTLE

between ironclad ships, 1862.



LINCOLN DELIVERED

Gettysburg address, 1863.

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Auto racing has become one of America's most popular summer sports. Those engaged in it are absolutely dependent upon liability insurance. The sport is extra-hazardous and the ordinances of many communities compel the promoters to carry high limits.

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Claim Man's Role Is Outlined by C. O. Pauley

(CONTINUED FROM PAGE 6)

the full facts on a claim before denying it. It is not fair to refuse to pay on a vague statement or an indication that the company is not liable. A complete investigation should be made rather than have the policyholder go to the department and have the department get into the matter. The greatest value in this is that it will be doing a public relations job on the insurance commissioners.

The main areas of trouble, he said, are preexisting conditions and refusal to renew. This latter situation was the cause of the near passage of a bill in North Carolina which would have required giving notice equal to one-half of the time the policy had been in force. The conference was active in opposing this measure, and told Commissioner Cheek that he was supporting a bill without having figures to justify his stand. The commissioner had a general feeling against preexisting conditions and the renewal problem and was attempting to solve it in this manner. The bill got through the house and missed getting approval in the senate committee by only one vote.

Commissioner Maloney has suggested that non-cancellable insurance is the answer to this problem, but Mr. Pauley said it is a difficult thing to apply to hospital or medical expense insurance, because the companies are then committing themselves to a set schedule of payments without having any control over charges made by hospitals or doctors. He said the experiment being made by Prudential of supplying non-cancellable coverage in this field without guaranteeing the rate will be closely watched.

Mr. Pauley said the hardest letter he ever had to write on a claim problem was in connection with a letter written to Commissioner Navarre of Michigan from a policyholder, who sent copies of his letter to American Medical Assn., Governor Williams of Michigan, Senator Potter of Michigan, the Commission on Health Needs of the Nation, to Walter Reuther, and others influential in determining a government course of action on the subject.

This man was protesting a non-renewal of his policy. In a logical way, this policyholder said the refusal to renew was obviously brought about by his recent illness, but when he inquired of the agent about it he was told there were thousands of other persons in the same boat. Non-renewal leaves the persons needing insurance out in the cold, this man said. They face an arbitrary rejection by the company, and he threw in a remark about over-age risks not being able to obtain coverage, and said that only the very rich or the very poor can afford to be ill. The man had received a form letter of rejection from the company, and Mr. Pauley observed: "Of course, I criticize that company for using a form letter."

Mr. Pauley got a copy of this letter from the American Medical Assn., which requested him to write an answer to its president in order that the doctors could be filled in on the problem. Mr. Pauley said it was a good family hospital, surgical and medical policy, but the company was justified in its declination because the man had a malignancy. It is possible that the company could have issued a rider. Even so, the man was covered for seven months after the initial illness.

Also, this policyholder received his

limits under the policy, and in fact, the main complaints were that the policyholder was under-insured and that he did not have non-cancellable coverage.

He did not carry a catastrophe type of hospital-medical insurance, although he could have purchased one, or he could have purchased non-cancellable income insurance. However, the expense of either type of coverage probably would have precluded their purchase, and Mr. Pauley in his answer told the A.M.A. that the hardship in an individual case must be measured against the greatest good for the greatest number. To change the basic type of hospital-medical policy would raise the price and exclude too many persons from any coverage at all.

He mentioned that many companies continue their policyholders beyond age 65, but they are reluctant to take on new policyholders at that time.

This dissatisfied policyholder was entitled to a thorough explanation of the reason for rejection, Mr. Pauley said, and a great mistake was made in sending him a form letter which in cold terms simply declined to renew.

The trouble with this situation, Mr. Pauley told the claim men, was in the way it was handled. It shows how a single instance of mishandling can have a widespread affect on the business, since copies of this letter were received by important persons and the letter was a well written one that wound up saying that the government could be doing a far better job than the insurance companies. The people who already had a half-way belief in his idea were given a further boost

Bases for Buyer to Decide to Insure on Self Insure

(CONTINUED FROM PAGE 15)

the company's financial position is too weak to bear unexpected losses, that is a reason for insuring.

Can we save money by not insuring? To determine possible savings, he suggested, compare expected loss experience with the premiums that must be paid for insurance. If the buyer expects a loss ratio less than that expected by insurers it may be a reason for not insuring, especially in industries where insurance costs are high and make the difference between profit and loss. If

with a letter of this kind. It is just one more incentive to bring the government into the field.

Mr. Pauley concluded his talk by remarking that Chicago Claim Assn. has always had a warm spot in his heart. He was one of its organizers, and it gave him his first recognition in the A. & H. business.

In introducing Mr. Pauley, Mr. Hiser read the minutes of the organization meeting of Chicago Claim Assn., which were written by Mr. Pauley as acting secretary. At the first meeting, Mr. Pauley was then elected the first president of Chicago Claim Assn. That was in 1918.

Mr. Pauley, who is retiring June 1 as managing director of the conference, said he hoped this would be his final talk until that date. He was presented a handsome wallet by Mr. Hiser on behalf of the association for his support of the group over the years.

It was announced that the association will conduct its golf outing June 10 at St. Andrews Country Club.

top management is not truly concerned with loss prevention, the company probably should carry insurance; if top management is doing everything possible to reduce losses, the savings that may be expected from self insurance will be increased correspondingly.

Another element to consider is the company's competitive cost position; if an important part of the competition is using self insurance to reduce costs, the buyer may be forced to do likewise. The pricing situation may not permit savings from self insurance; in the case of cost plus contracts or the equivalent, there is a reason for carrying insurance if premiums are recognized as part of the cost structure and losses are not. Premiums often buy service as well as insurance. The value of service must be weighed in computing the savings from self insurance.

Taxes have no effect on compensation, liability, and some other types of insurance, where both the premium and the loss are tax deductible, but for many forms of property insurance the premium is deductible and much of the loss may not be—for example, if the tax deduction is limited to the adjusted tax basis of the property.

Is it necessary to protect minority stock interests? Even if it is satisfactory not to insure the property or hazards of a major company, some of its subsidiary units may have minority stock interests that would not be protected satisfactorily if the subsidiary companies remain uninsured.

Is insurance the best method of meeting the hazard? The money spent on premiums might be put to better use in hiring more plant guards or in microfilming records.

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WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

WANTED LOCAL AGENCY MANAGER

Wanted man experienced in local agency to take over complete management of Agency in major southern city. The Agency is already producing a sizable premium flow and, through its affiliations, has the potential of writing a very large volume of business. Only a man capable of taking over the complete responsibility need apply. Liberal salary and profit-sharing arrangements. Address S-62, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., giving details of your experience.

WANTED—MARINE CLAIMS MAN

A Chicago job with a future if you are 28-35 and have had experience in adjusting and negotiating settlements under commercial Inland or Ocean Marine policies. Your prospective employer, a marine and fire insurance company, a leader, seeks a man of initiative and purpose. Our employees know of this ad. Address S-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SAFETY INSPECTOR

First Line Casualty Company has opening in New Jersey for man with 2 years casualty experience as Inspector. Starting salary \$75. Write stating age, experience, references. Your reply will be held in confidence. References will not be contacted without your permission nor before interview. To arrange NYC interview address: Box 281, Wall St. Station, N.Y. 5, N.Y.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future or himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

A well established stock fire insurance company interested in obtaining agency supervisory services in the State of Illinois, exclusive of Cook County. Incentive plan available to applicant with proper background and good references. Address S-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED—INSURANCE ANALYST

Immediate permanent position with nationally known Service Company. Requires knowledge fire coverage, reside Indianapolis. Minimum travel, attractive remuneration. Replies confidential. State age, education and experience. Address S-60, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE STATE AGENT WANTED

Exceptional opportunity for an experienced fire field man to supervise our established agency plant in the state of Illinois. We are a rapidly expanding group and the future is assured for a man with experience and ability. Write giving full details. Address S-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced Safety Engineer for oilwell drilling contractor, with nine (9) rotary rigs operating in West Texas and Southeast New Mexico Area. In applying, give age, references, and experience. Reply Box S-63, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AGENCY SUPERINTENDENT AVAILABLE

Experienced in casualty and fire and accustomed to handling regional meetings. Supervise over 1200 agents. Full underwriting and field experience. Will relocate. Address S-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

PAYROLL AUDITOR

First line casualty company has opening in Central New York for man with 2 years casualty experience as P.R.A. Starting salary \$75. Write stating age, experience, references. Your reply will be held in confidence. References will not be contacted without your permission nor before interview. To arrange NYC interview address: P.O. Box 281, Wall St. Station, N.Y. 5, N.Y.

SALVAGE

We purchase Fire, Smoke, and Water Damage anywhere in Illinois. No damage too great. Goods not sold from fire locality. Courtesy extended at all times. Salvage promptly removed. Rapp and Son, 1316 So. Adams, Peoria, Illinois, Phone 4-1915 collect.

WANTED—CONTROLLER

Fire Company, large Eastern city, desires Controller. Must have CPA degree or be graduate of recognized accounting school. Familiarity with insurance records, insurance statistics and convention reports necessary. Age between 30 and 45. Splendid opportunity for aggressive, competent individual. Address S-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

I have \$25,000 cash—more or less—with which to buy all or part of established fire-casualty insurance agency. 15 years' experience. Prefer New England or New York State. Replies absolutely confidential. Address S-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Casualty Underwriter around 30, experienced in automobile, trucks and fleets, capable of handling large risks. Address S-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OFFICE MANAGER

Experienced general insurance man with knowledge of accounting and personnel supervision, age around 30. Excellent opportunity for qualified man. Address S-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Philosophy and Practice of Output Policy Noted

In his prepared talk at the insurance conference of American Management Assn., Roy C. McCullough, manager of Multiple Peril Insurance Rating Org., discussed the reasons for the origin of the manufacturers' output policy and its coverages and exclusions.

He said he was sometimes asked why the policy applied to manufacturers only. Empiro is not trying to favor friends in manufacturing over other good customers in wholesaling, retailing and service fields. The contract, however, was a new departure in both coverage and rating methods. It was and still is something of an experiment.

An all risk contract embracing every type of large risk would multiply the problems involved as well as the elements of opposition, and Empiro would probably get into a matter so vast as to keep the policy forever in the planning stage. The idea was to work out a contract designed to fit the needs of a large group of insured and not try to meet every situation, with the objective of coming up with a successful policy in a reasonable time. Multiple line policies for other groups undoubtedly will come along, but for the present the output policy is confined to manufacturers.

Despite its exclusions, he said, it is a very broad coverage. There is no amount of insurance stated in the policy. The measure of exposure is the value at risk, the rate is applied to the total values reported, and the result is the premium. However, the policy has a specific limit stated for property at any one location, another limit for property in or on any one conveyance, a special limit on flood, and a limit on property at any convention or fair.

It has been approved in 33 states, and Empiro intends to continue to press for approvals until it can be written in every state. The end objective is a single policy form and a single rate throughout the U. S. and its possessions. This will enable nationwide concerns to place insurance without unnecessary artificial restrictions caused simply by the accidental location of a state line. However, he said, he was not advocating federalization or complete nationwide uniformity in insurance. A uniform move for all kinds of business would be unworkable and unthinkable. But in nationwide interstate risks some provision should be made so that policies can be issued without half a dozen different rates or a bushel basketful of policy contracts or a bookful of endorsements.

It is very difficult to get a contract that is substantially nationwide, and it takes anywhere from three to six or seven years to get a level of substantially countrywide acceptance. There are always one or two localities which for good reason or bad hold out even longer.

He noted that the output policy has not been completely accepted in West Virginia, Washington, Texas, Missouri, Montana, Oregon, Massachusetts, Virginia, Alabama, Louisiana, Hawaii, Arizona and Florida and hence cannot be written to cover property located in those states.

Activities of informed buyer groups have been helpful in securing approval of the contract, he said. A manufacturing concern whose values are located principally in a non-approving state is under a distinct competitive handicap if his out-of-state competitor can buy a more advantageous insur-

ance coverage than he can. This is something that can legitimately be the subject of attention by local buyer groups.

He listed as advantages of the policy automatic cover on all locations or property values, the all risk approach, the reduction in bookkeeping and paper work, speedy recognition of improvements in experience in the area of controllable losses—within the \$5,000 area he has pretty complete freedom as to deductibles, and he knows he is insured by a contract worked out with the problems of the manufacturer in mind.

The policy is not a cut-rate proposition, he declared. It is an attempt to give a truly multiple line coverage in a simple manner and at a reasonable price that will still afford a modest profit to the companies.

Field Conference Held by Gulf and Atlantic

Thirty field men from the states supervised by the home office of Gulf and Atlantic attended the field conference held at Mineral Wells, Tex. A crowded three-day program was under the direction of R. H. McKenzie, first vice-president, and A. R. Buchel, vice-president (fire department); J. D. Daniels, vice-president (automobile department), and V. B. Hooks, Jr., vice-president (inland marine department). Including the home office officials and department heads, 53 attended the sessions.

One of the most popular features was a quiz participated in by all field men, followed by a "jack-pot" question. More than \$100 was distributed as prize money to those field men answering questions correctly. An address on business interruption insurance was given by Joe E. Vincent, local agent at Bryan, Tex., followed by a question and answer discussion.

At the close of the meeting a dinner dance was held for the visiting field men, many of whom were accompanied by their wives.

Chicago Adjusters Elect

Adjusters Assn. of Chicago has elected L. G. Schreiber of Toplis & Harding as the new president; Ray Ickel, Underwriters Adjusting, vice-president; Edward Brunke, Frank Erion & Co., secretary, and Harold Wangerow, Western Adjustment, treasurer. The group has scheduled its golf outing for June 11 at Elmhurst Country Club.

Marxhausen Joins Agency

A. J. Marxhausen, former claim office manager at Saginaw, Mich., for Hartford Accident, has resigned to join the Brady, Schirmer agency, Saginaw.

S. F. Managers "Disaffiliate"

A. & H. Insurance Managers Assn. of San Francisco at the May meeting voted to withdraw as a local unit of International Assn. of A. & H. Underwriters, with the suggestion made that any person who wanted to join the International should do so as an individual. Randal H. Yorks, Fireman's Fund Indemnity, is president of the managers organization.

WANTED

Well established agency desires to purchase insurance agency in or immediately adjacent to Cleveland, Ohio. Address S-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Deplore Capsizing of Ships to Put Fire Out

The pouring of water into the holds of ships that burn in harbors, to such an extent that they capsize and block the harbors, is receiving attention in England and has stirred some interest in this country.

D. B. Foy, master mariner, recently wrote *Lloyd's List* that when a fire on board a vessel gets completely beyond control, the firemen involved should concentrate on protecting wharves and warehouses. A ship gutted by fire can be towed away for refitting or scrap, but if water is poured into her indiscriminately, she will capsize, resulting in a long and expensive salvage operation to clear her from the harbor. Had the *Empress of Canada* and the *Kronprins Frederik* been allowed to burn out without interference from fire fighting personnel, these ships would still be on an even keel and afloat. One would have thought after the sinking of the *Normandie* in New York harbor that firemen would have learned how properly to handle fire on ships. It is time port authorities, fire services, ship owners and insurance interests got together to decide on the policy to be followed next time a serious fire breaks out in a ship in harbor.

H. O. Wilde of Hamburg recently wrote the *Daily Telegraph* of London on the same subject.

Fire services pump tremendous quantities of water into the upper half of the ship, turn her over and extinguish the fire but create a constructive total loss. It then takes at least 12 months to remove.

A fire, once it has obtained a hold on a passenger ship, cannot be extinguished by water. This is proved indisputably by the loss of the *Normandie*, *Paris*, *Empress of Canada* and *Kronprins Frederik*. Why continue the effort and ruin the ships by capsizing them? Let the ship burn where she lies and then she would be left in a fit state for repair.

Insurance Advice to Contractors' Employers

Reginald V. Spell, claim manager of Hartford Accident at Richmond, said at American Management Assn.'s insurance conference in New York that in view of the tendency of jurors to find in favor of an injured person and the number and diversity of allegations upon which such claims are based, no business should be without the coverage provided by a public liability and property damage policy. Separate insurance should be obtained for hazards usually excluded from such a policy, for example, contractual liability; construction, demolition and installation permits; elevators and hoists; and completed operations.

Though the employer of a contractor is normally not responsible for the consequences of his acts or those of his employees, Mr. Spell listed these exceptions:

If the work is necessarily attended with danger, and injury results not from the manner of doing it but directly from the work itself. If the work to be done is unlawful. If the work cannot be done without interfering with adjoining property and its performance results in trespass. If the work is done in accordance with defective plans or specifications furnished by the employer. Where the work is inherently or intrinsically dangerous unless proper precautions are taken in its performance. Where the law im-

poses a positive duty, which cannot be delegated.

He suggested an indemnity agreement in the contract with the contractor and securing proper insurance to cover it; seeing to it that his other coverages are adequate in scope and amount; arranging to be named co-insured in the contractor's policies where feasible; and covering any remaining gaps properly with his (the employer's) policies.

Form Central Illinois Insurance Managers Assn.

Central Illinois Insurance Managers Assn. was organized at Bloomington, Ill., with 24 insurance executives from Bloomington, Decatur and Peoria in attendance. Elias W. Rolley, comptroller of Funk Brothers Seed Co., was elected president; George Heinrich, property insurance manager of Caterpillar Tractor Co., vice-president and program chairman, and A. A. Baker, insurance manager of Funk Brothers, secretary. Completion of the organization will be effected at the next meeting at Bloomington, Sept. 10.

A. & H. Agents to Hear U. N. Representative at Annual

U. S. Ambassador James J. Wadsworth will give a talk on United Nations policy at the luncheon session June 29 during the annual meeting of International Assn. of A. & H. Underwriters. On hand to welcome Mr. Wadsworth will be Mayor Kennelly of Chicago and Insurance Director Robert E. Barrett of Illinois.

American Names Bess in Ind.

American has appointed Warren R. Bess special agent for northern Indiana, assisting Special Agent Don Kaga. He is a graduate of Butler College, where he majored in insurance. He served five years in the army, and for the past two years has engaged in agency work.

McNamara to Washington

Eugene T. McNamara has been appointed by Great American as special agent for western Washington with headquarters at Seattle to succeed L. W. McChesney, transferred to San Francisco as agency superintendent. Mr. McNamara is a navy air corps veteran.

Nebraska Blue Goose Elects

Nebraska Blue Goose at its annual meeting at Omaha, at which 30 new members were initiated, elected Denman Kountze, Midstate Fire Underwriters Co., Omaha, most loyal gander; Frank Jenkins, Nolan & Co., Omaha, supervisor; Gay E. Miller, Royal-Liverpool, custodian; Clive E. Heckenlively, National American, guardian; Fred A. Fletcher, National Union, keeper, and E. J. Nagel, Home, wielder.

Brokers Go Off Half Cocked

Continental Casualty has made public a statement of its position in relation to handling liability business in the New York City area. Robert E. Vollreide, the vice-president at New York, told one of the brokers' associations that had raised the question that Continental Casualty in April notified a number of brokers that it intended to reduce its liability commitments and these brokers were asked to replace their business and to let Continental know within two weeks what progress they were making. This was not, he said, a notice that if the policies were not replaced within two weeks cancellation would ensue. The company had no such intention Mr. Vollreide said.

Presley North British State Agent at Dallas

North British has appointed Parker S. Presley state agent at Dallas. He succeeds A. M. Smith, resigned.

For the past two years he has been north Texas special agent of American, with headquarters at Dallas. Before that he was with North British at Houston. He started as a solicitor in the old Rice & Belk agency at Houston, and was manager of the J. C. Leonard Co., also of Houston, for seven years. Then he served as special agent of Cravens, Dargan & Co. until he joined the air force in 1942.

Hold 5 Day Valuation Meet

Marshall & Stevens, valuation engineers, is holding its nationwide five-day convention of appraisers and engineers during the week of May 18 at Chicago. The district managers met on the first two days and the last three days are devoted to the engineers' gathering.

Attending from the main office at Los Angeles are E. P. Marshall, president; George Hubbell, comptroller; Joseph W. Marshall, head of publication department. Also C. S. Marshall,

Philadelphia; Marvin Olson, Dallas; and Tom Hazelett, Vancouver, B. C.

Among the speakers are Eugene Mulhern, Chicago Mortgage Bankers, on income valuation; Louis Plast of Cook County Inspection Bureau, discussing coordinating of rating work with appraisals, and John J. Ahern, Illinois Tech., gas explosions.

FAREWELL TO RAY CHOATE

Ray Choate was tendered a farewell dinner at Hartford on his retirement from active business life. He has been resident vice-president of American Auto there. Toastmaster was W. J. Hannan, local agent at Danbury. President Lee Schleyer presented Mr. Choate with a 25 year service emblem. Mr. Choate at one time was head man in the east for American Auto but he had to take it easier and he had been at Hartford since 1947.

Scottish Union Fetes T. & C.

Trezevant & Cochran, managing general agents of Dallas, celebrated their 60th anniversary as general agents for Scottish Union in Texas. On that occasion John Newlands, general attorney for Scottish Union, presided over a dinner for the senior members of the office. J. O. Smith and J. O. Smith, Jr., are the principal officers.



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We only underwrite and are not brokers,
But we do invite inquiries from brokers.

R. I. Requires Licenses for Foreign Co.'s, Not Agents

Gov. Roberts of Rhode Island has signed a bill requiring foreign insurance companies, instead of their agents,

to be licensed in that state. Other bills signed by the governor permit these companies to issue nonassessable as well as assessable policies: What Cheer Mutual, Blackstone, Firemen's, and Manufacturers.

In other approved legislation, Ameri-

can Universal may write casualty, marine and indemnity lines; the word "fire" is dropped from the name of Union Mutual Fire; Plymouth Rock is incorporated and Providence Washington's charter is revised to specify lines it may handle.

This agent thought IT WAS "DUCK SOUP"



And so it was. He had a long list of friends and acquaintances . . . enough for a tidy little business. It was when the HCL hit him and he decided to expand that he discovered that "handling" insurance isn't quite the same as "selling" it. His friends hadn't asked him the questions his new prospects did. They hadn't seemed to make the same demands, either.

Our friend, being wise, did as smart agents all over the country are doing. He turned to Pearl American to help him service his clients. Pearl American's policy of complete cooperation, flexible company attitude, speedy service and information, is really making insurance selling "duck-soup" for the agents on our team. We'll be happy to have you with us.

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"WE ARE WHAT WE DO"

Cheney Heads Iowa Agents, Succeeding E. L. Lane

(CONTINUED FROM PAGE 1)
them to combat practices in regard to fees paid to the physicians and surgeons and special discounts received from member hospitals.

The convention was one of the best attended meetings ever held by the Iowa association, with Waterloo winning the attendance trophy.

George H. Olmsted, chairman of Hawkeye-Security and until recently director of the U. S. military defense aid program in Washington, spoke at the closing luncheon and declared the world partnership against Communism must not be split by suspicion.

Ray Murphy, former Iowa commissioner and now general counsel of Assn. of Casualty & Surety Companies, speaking at a luncheon, expressed hope that auto insurance rates are through climbing. He said the general leveling off tendency in prices might hold down the cost of auto repairs and keep that factor from pushing rates upward.

Mr. Guy in his address on loss adjustment and public relations declared that "good performance makes good public relations. We must be absolutely sold on our business; otherwise there should be no place in it for us," he said. "Public good will cannot be purchased, it is created by each one of us."

"Satisfactory adjustments made upon an equitable basis will produce good public relations for the insurance business. The real point of contact from a public relations standpoint is a loss adjustment. The adjustment is the contract in action, it is the proof of the value of the purchase made by the insured. If we fail here, we are sure to lose the confidence of the public. The company has provided, to the best of its ability, skilled loss adjusters, just the same as it has skilled underwriters and skilled agents. Their problems are quite different but their goal is the same—service to the insuring public."

The convention was featured by a number of panel sessions including a general panel program on auto coverages. Louis D. Burkhalter, Cedar Rapids local agent, was moderator. Other panel members included Robert D. Cline and A. Wayne Mackaman, Des Moines local agents; Don O. Jones of Wolverine and Jack W. Wheaton of New Amsterdam.

A farm-writing agent panel breakfast was held with O. L. Hansen, superintendent of Rain & Hail Bureau, and W. F. Roberson of Home as moderators. A panel session also was held on local board activities with Myron McCaughey, district director from Ottumwa, presiding.

Other speakers at the convention included Paul K. Mullen, secretary of National Union, on "Farm Marine Lines" and Milo W. Chalfant, director of the safety responsibility division of the Iowa department of public safety, on new laws passed by the Iowa legislature.

Richard T. Saunders, Pacific Northwest manager of Fireman's Fund, spoke on the complexities of ocean marine protective and indemnity coverage before Marine Insurance Society of Seattle.

Trends in Bruising and Busting Given in Report

In 1952 more than four million motor vehicles were registered in New York state, operated by 5,700,000 licensed drivers. The automobiles traveled 36,246,000,000 miles, according to the bureau of motor vehicles. There were 110,977 accidents resulting in death or injury and 215,453 in damage to property, a slight decrease from 1951. Deaths increased slightly, but on the basis of travel the rate for 1952 decreased to 5.8 per 100 million miles, lowest in the state's history and compared with 7.3 nationally.

The report places at 96-plus% the number of motor vehicles insured. There is better compliance with the accident reporting provisions of the law, according to the report, which urged agents to educate insured to copy names of owners and operators from licenses and registration certificates instead of relying on phonetics to convey the spelling of names. This would aid the bureau materially.

The average deposit of security made by uninsured motorists has increased again, in 1952 to \$203, from \$193 in 1951. The department thinks this indicates that motorists are valuing their right to drive or register a motor vehicle more than ever before because they are going to greater financial lengths to retain these privileges.

The state now is reciprocal in its safety responsibility act and will suspend the license and/or registration certificates of any New York motorist for failure to comply with the SR laws of other states.

The 1953 session of the legislature provided for substitution of the standard provisions auto liability policy for an M. V. liability policy filed as proof of future FR, under certain conditions.

The bureau has established a new system of validation of licenses which should reduce to insignificance cases of fraudulent credentials. However, the report points out that the number of these is probably a drop in the bucket compared to the number of people who continue to drive after their licenses have been suspended or revoked.

The law provides that when the motor vehicle commissioner suspends a license because of the conviction of a person for any offense, the person must thereafter furnish proof of financial responsibility. The bureau believes this requirement should only be applicable in those cases where the subject was uninsured at the time of the violation, or at least that the commissioner should be allowed to act at his discretion. Placing all such persons under future proof requirements greatly increases the administration problems of the bureau.

Tanner Head Minn. Speaker

William B. Tanner, state agent of Employers Fire, has been elected president of Minnesota Insurance Speakers club. Paul Cormack, Western Adjustment, is vice-president, and M. A. Warner, Jr., Northwestern Fire & Marine, secretary.

Carter Speaks at Fort Wayne

Morris Carter, safety director of Indiana Assn. of Insurance Agents, discussed the state safety program before the Fort Wayne association.

Preferred General Agency has been appointed general agent in Washington for Wabash Underwriters of Louisville Fire & Marine.

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Tells Buyers Major Medical Is Big Thing of Decade

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light and gas bills; for example, miscellaneous doctor bills incurred regularly; out-patient care for the hypochondriac; maternity claims for female employees; and maternity benefits for employees' wives above the normal payment of \$100 to \$200.

Employee benefit needs Mr. Wilson classified as group insurance to protect employee and his family against heavy expense during his active employment and life, accident, and sickness benefits to offer financial relief during retirement.

While he is still working the employee must be protected against heavy expense because he cannot be a good employee if he is worried as to how he may pay heavy medical, hospital, and surgical bills. Such protection should include a sound, adequate, basic accident and sickness plan. United's plan offers a maximum hospital room and board benefit of \$12 a day, a \$245 surgical maximum, relief for accident care in a doctor's office, coverage of children between the ages of 14 days and 22 years, and a \$2,000 coverage for polio.

Life insurance limits should be reviewed at regular intervals, he advised. United's have been increased to \$15,000, and its group life plan has been extended to all employees' wives in the amount of \$1,000. The latter has cost only about \$5,000 a year in actual death payments on a group of 14,000 employees, and employee appreciation has been very gratifying.

After retirement, insurance costs become excessive because any benefit always becomes a claim, Mr. Wilson pointed out. United Air Lines and Connecticut General have developed a group continuance plan under which the employee acquires a minimum total of \$1,659 in paid-up insurance at a cost of 15 cents per \$1,000 per month of his working life. This benefit was made possible by development of a surrender-charge pool idea by which premiums paid in by employees who stay with the company for less than five years are not refunded.

This paid-up life insurance plan is not the full answer to the problem of providing adequate life insurance benefits for the employee following retirement but it is an inexpensive step in the right direction which all can afford, for the employee pays the total premium. Now in the study stage is a plan to make half of the paid-up life insurance benefit available to the employee for hospital and medical expenses after retirement in case he or his wife needs it.

Tenn. Mutual Agents Elect

Tennessee Assn. of Mutual Insurance Agents at its annual meeting at Nashville, elected Charles C. Sherrod, Jr., Johnson City, president; Earl Blazier, Maryville, vice-president; and Miss Sammy Lang, Tullahoma, secretary. The Tennessee Mutual Agents auxiliary elected Mrs. Lang as president; Miss Nan Moore, Knoxville, and Mrs. Joan Leach, Paris, vice-presidents, and Miss JoAnn Daugherty, Tullahoma, secretary.

Course for Fleet Supervisors

A training course for motor vehicle fleet supervisors was held at University of Washington with several Seattle insurance men as instructors.

R. B. McMullen, D. K. MacDonald & Co., spoke on "The Insurance View of Liability and Accident Prevention,"

and Don Husted, Arthur E. Campbell-Husted Co., addressed a class on "Accident Procedure." "How to Conduct Good Driver Meetings" was the subject of Paul Fouts, United Pacific. Ben Snook, General of Seattle, discussed "What Drivers Need to Be Taught About Fire Fighting."

Williamson Tells Aims of A. & H. Information Unit

(CONTINUED FROM PAGE 10)

thinking and planning between Blue Cross, Blue Shield and private insurance. These three groups hold the major fort in the fight with respect to socialization. He said he was not talking about coordination, but about discussing common goals and the reaching of a common understanding of the whole bundle of problems that faces the health insurance field. Here the idea would be to have a representative from the hospital field and one from the medical field. After a real study a platform would be developed to take to chief executives of plans and insurers and perhaps arrive at an official platform of understanding.

This session was presided over by William deV. Washburn of American Health Ins. Corp.

Plan Agency Management Course at U. of Washington

An agency management course will be given as part of the July 12-17 seminar at the University of Washington, sponsored by Washington Assn. of Insurance Agents and King County Insurance Assn.

The course is to be divided into five topics: Financing, office methods, sales, markets and public relations. A panel of three—an attorney, a C.P.A. and a bank executive—will take over the class on financing; a Remington-Rand representative will discuss office systems; a "typical insurance buyer" will be procured to talk on sales and what the buyer expects of his agent and company; company representatives will discuss markets, and several prominent men are being lined up to tackle public relations.

Evening courses will be addressed by representatives of the insurance department, the rating bureau and public relations men.

The introductory course will take up the role of the agent, fire insurance, inland marine and general casualty, automobile and miscellaneous coverage.

Two advanced courses will be given, so that the many repeaters from last year will be able to take up new material. One will study fire and allied lines, automobile and bonds, while the other will work on general liability, inland marine and composite coverage.

Sponsor Buyers Clinic

The Minnesota C.P.C.U. chapter in cooperation with the University of Minnesota school of business administration conducted an insurance buyers clinic May 12-13 at the university. The program was designed to appeal to smaller manufacturers who ordinarily do not employ a full-time insurance buyer.

L. A. Credit Assn. Elects

Los Angeles Insurance Credit Clearing Assn. has elected these officers: President, Claude J. Beatty, manager Fidelity & Casualty; vice-president, Frank E. Crosby, manager American-Associated; secretary, Gordon Wilson, Fireman's Fund.

Sheehan, Metzner Guests

Commissioner Sheehan and C. H. Metzner, assistant manager of Western Underwriters Assn. were special guests at a meeting of Minnesota Fire Underwriters Assn. at Minneapolis. Mr. Metzner brought up several subjects

that were discussed at the W.U.A. meeting at Colorado Springs.

New officers elected by Roanoke, Va., Assn. of Fire Underwriters last week are: President, Robert Aveson; vice-president, Julian A. Bryant, secretary-treasurer, Nick Oglesby.

LET'S TALK ABOUT COST

Standard policies—uniform forms—stability of

Company—prompt and fair claim settlement—

proper coverages in adequate amounts . . .

All of these things are discussed and disposed of

before the subject of cost is introduced because

our dividends to policyholders are not substitutes for anything—they're just something extra.

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President

C. C. INMAN
Executive Vice President



Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

third on valuation law amendment with Maloney of California as chairman.

At 11 o'clock there will be a meeting of the Blue Cross-Blue Shield committee with Leslie of Pennsylvania presiding to take up minimum contingency reserves, maternity reserves, inter-plan guaranty fund and new annual statement blank. At the same time there will be a meeting of the committee on uniform deposit laws and regulations with Kavanaugh of Colorado as chairman, and a subcommittee on workmen's compensation, small policy economies with Smith of Texas as chairman.

Monday afternoon, June 8, there will be a meeting of the committee on definition and interpretation of underwriting powers with Leslie of Pennsylvania as chairman taking up proposed amended marine definition, classification of fire, marine and casualty insurance, joint committee on interpretation and complaint industry report. At the same time there will be a meeting on A. & H. policy benefits in relation to premiums with Navarre of Michigan as chairman, and the subcommittee on reinsurance study with Knowlton of New Hampshire as chairman. The latter will take up, among other things, reinsurance with London Lloyds.

At 3 p.m. June 8, there will be a meeting of the executive committee of which Butler of Texas is chairman, the agenda including: Blanks committee report on presentation of excess loss reinsurance in annual statement; blanks committee report of its meeting March 29-April 2; reinsurance subcommittee report; future meeting sites subcommittee report; invitation for meetings; creation of multiple line underwriting committee; constitution and by-laws committee report; functions of assistant secretary office subcommittee report; President Martin report of audit procedure of assistant secretary's office; assistant secretary's report and insurance sales on U. S. military reservations.

On June 9 at 9 a.m. there is scheduled a meeting of the A. & H. committee with Knowlton of New Hampshire as chairman to take up the report of the Blue Cross-Blue Shield subcommittee and the subcommittee on policy benefits in relation to premiums. At the same hour the wraithlike taxation and real estate committee is scheduled to meet with Holmes of Montana as chairman. And at 10:30 there is to be a plenary session with Martin of Louisiana presiding.

The afternoon of June 9 at 1:15 there is scheduled the meeting of valuation of securities committee with Bohlinger of New York as chairman to take up valuation of securities subcommittee report. At the same hour there is scheduled to be a meeting of the social security committee of which Dickey is chairman to take up the question of whether there is the need for any such committee. Also the federal government's program, compulsory disability programs, prolonged and catastrophe illness.

At 2:30 there is to be a meeting of the examinations committee with Bowles of Virginia as chairman, and at the same hour the committee on fire prevention and safety, headed by Cravey of Georgia.

At 3:30 that afternoon the uniform

accounting committee is scheduled to meet with Lange of Wisconsin as chairman to take up the uniform accounting and rate making subcommittee report. At the same hour there is to be a meeting of the rates and rating organization committee by Bohlinger. The agenda includes such matters as use of trend and projection factors in automobile rate making, what its effect is on experience rated risks and why not a factor similar to that used in workmen's compensation? There will be a report of the multiple location risks cost factor subcommittee; discussion of special auto liability rates for drivers who have completed high school driver training programs; explanation by rating bureaus of accident year experience program and its present status; expense of and duplication in furnishing information and statistical material; fire insurance statistical plan and rate making procedure; liability insurance statistical plans; workmen's compensation insurance rate making program.

The morning of June 10 there is to be a meeting of the casualty and surety committee headed by Allyn of Connecticut to take up individual merit rating for auto liability and to get a report of the subcommittee on auto rates by driver classification. At the same hour Gaffney of New Jersey is scheduled to preside at a meeting of the unauthorized insurance committee to take up insurance sales on U. S. military reservations.

At 10:30 there is to be a meeting of the life insurance committee headed by Leggett of Missouri to take up commercial pension funds, advisability of supervision and regulation by the states; credit life and credit A. & H., study of rules and regulation governing their sale; group life limit per employee insured. At the same hour is the meeting of the blanks committee headed by Robinson of Ohio. Then comes the industry luncheon, and that afternoon Larson of Florida is scheduled to preside at the meeting of the workmen's compensation and Davis of Mississippi at a meeting of the interstate cooperation committee.

At 3:45, Navarre of Michigan is scheduled to preside at the meeting of laws and legislation committee to take up such matters as uniform deposit laws and regulations, uniform qualification and licensing laws, similarity of company names, and security or insolvency funds. At the same hour the fire and marine committee headed by Brown of Texas, who is very ill, is scheduled to meet to take up the 1921 standard profit formula, statutory fire policy and the writing of multiple lines, and inland marine regulated classes.

The morning of June 11 at 9 a.m. the executive committee is scheduled to meet. Then at 11 a.m. Zones 1, 3 and 6 have meetings scheduled, and that afternoon Zones 5, 2 and 4 are scheduled to hold forth. At 2:30 there is to be a plenary session.

On Friday morning June 12 there is scheduled a plenary executive session.

All in all it appears that the agenda will not be heavy and that the conventioners will be able to enjoy many of the fine features that the coast has to offer.

Offer More Marine Definition Changes

National Assn. of Insurance Commissioners subcommittee on the marine definition, headed by Leslie of Pennsylvania, has received from the joint committee recommended changes in the definition and a letter asking that they be tendered at the San Francisco meeting of N.A.I.C. for action.

The recommendations do not contain any reference to an agreement. It is understood that the idea now is to have none. The recommendation is for a joint committee composed of five senior executives representing each of three areas, inland marine, fire and casualty, serving three years.

The definition is amended in one respect from that which was worked out at the recent meeting in Chicago with the N.A.I.C. subcommittee. There is added the phrase, "nor shall it be construed to mean that the kinds of risk and coverages are solely marine, inland marine or transportation insurance in all instances."

The details of the expanded definition are substantially as discussed at Chicago.

Shift in T.D.B. Fund in N. J. Proposed

Labor interests are opposing and employers supporting a bill in the New Jersey legislature which would transfer \$50 million from the temporary disability benefits fund to the unemployment trust fund. The bill has passed the senate. Employers say it would save \$8 million in taxes. Labor says workers put the money up and it ought to stay in the T.D.B. fund.

Educational Directors

Schedule Parley May 27-28

Insurance Company Education Directors Society is having a two-day gathering at Pocono Manor, Pa., May 27-28. The first day there will be a discussion entitled "A Close Look at College Recruitment." The speakers will be George B. Salter, vice-president of Providence Washington; H. Paul Abbott, director of education and male employment of North America, and Gordon G. Sikes, director of the placement bureau at Princeton. Then Dr. Theodore Hariton of Psychological Corp. will give a talk "Are Our Training Programs Paying Off?" In the afternoon there will be a demonstration of visual aid techniques for insurance courses by L. Ray Ringer, assistant secretary of Aetna Fire, and L. V. Irvine, superintendent of the training division of Travelers.

The next morning there will be a discussion of follow-up and education after formal initial training. Nelson Bell, director of training of Hardware Mutual, will give a talk and then there will be a panel discussion.

Ky. Bureau Sues to Halt Multiple Location Ban

LOUISVILLE—Suit has been filed at Frankfort in behalf of Kentucky Inspection Bureau to block the order of Commissioner Goebel knocking out the multiple location rating plans that had previously been approved and been in effect in Kentucky for some time. The Goebel order was dated April 21 and was to have become effective May 20. Kentucky Assn. of Insurance Agents was the complainant. Attorney for K.I.B. is T. M. Galphin of Ogden, Galphis & Abel of Louisville.

Michigan Upper Peninsula Agents Elect Jacka

T. M. Jacka, Laurium, Mich., was elected president of Upper Peninsula Insurance Agents at their annual convention at Ishpeming, Mich. The group, a division of Michigan Assn. of Insurance Agents, also elected Arthur J. Erdlitz, Service Agency, Menominee, vice-president; Ralph W. Medlyn, Laurium, secretary, and S. M. Ennis, Newberry, treasurer.

Urban Krier, Milwaukee, assistant manager U.S.F.&G., in his keynote address on "The American Agency System," urged greater adherence to the profit motive and less buying at wholesale by insurance people. He said many on commissions or independent status

contracts buy their insurance from direct writers, thus violating principles which support their economic existence.

Rudd L. A. Head of M. & M.; Johnstone Detroit Chief

F. V. Rudd, vice-president at Detroit has been transferred to Los Angeles as manager of Marsh & McLennan. F. M. Hughes, vice-president at Los Angeles is associate manager.

Mr. Rudd has been succeeded at Detroit by R. T. Johnstone, vice-president, as manager, and P. E. Glossop, Los Angeles, is associate manager.



F. V. Rudd

STOCKS

| By H. W. Cornelius Bacon, Whipple & Co. 135 So. LaSalle St., Chicago | | | | |
|---|--------|--------|--------|--|
| Div. | Bid | Asked | | |
| Aetna Casualty | 3.00* | 116 | 119 | |
| Aetna Fire | 2.40 | 35 | 56 1/2 | |
| Aetna Life | 2.50* | 75 | 76 | |
| American Alliance | 1.60 | 35 | 36 | |
| American Equitable | 1.50 | 30 1/2 | 31 1/2 | |
| American Auto | 2.00 | 44 1/2 | 45 1/2 | |
| American, (N. J.) | 1.10 | 24 1/2 | 25 1/2 | |
| American Motorists | .40 | 13 1/2 | 15 | |
| American Surety | 3.00 | | | |
| Boston | 1.40 | 32 1/2 | 33 1/2 | |
| Camden Fire | 1.10* | 22 | 23 | |
| Continental Casualty | 2.50* | 83 1/2 | 85 | |
| Crum & Forster Com. | 1.60 | 45 1/2 | 46 1/2 | |
| Fire Association | 3.00 | 66 | 68 | |
| Fireman's Fund | 1.60 | 55 | 56 1/2 | |
| Firemen's (N. J.) | .90 | 26 1/2 | 27 1/2 | |
| General Reinsurance | 1.60 | 37 1/2 | 38 1/2 | |
| Glens Falls | 2.00 | 59 | 61 | |
| Globe Republic | .80 | 16 1/2 | 17 1/2 | |
| Great American Fire | 1.60 | 37 | 38 | |
| Hartford Fire | 3.00 | 151 | 153 | |
| Hanover Fire | 1.80 | 40 | 42 | |
| Home (N. Y.) | 2.00 | 40 1/2 | 41 1/2 | |
| Ins. Co. of No. America. | 2.25* | 83 | 85 | |
| Maryland Casualty | 1.20 | 26 1/2 | 27 1/2 | |
| Mass. Bonding | 1.20 | 22 1/2 | 23 1/2 | |
| National Casualty | 1.50* | 28 | Bid | |
| National Fire | 2.60 | 64 1/2 | 65 1/2 | |
| National Union | 2.00 | 41 | 42 1/2 | |
| New Amsterdam Cas. | 1.50 | 42 1/2 | 43 1/2 | |
| New Hampshire | 2.00 | 42 1/2 | 44 | |
| North River | 1.20 | 27 1/2 | 28 1/2 | |
| Ohio Casualty | 1.55* | 60 | Bid | |
| Phoenix, Conn. | 3.40 | 99 | 102 | |
| Prov. Wash. | 1.50* | 29 | 30 | |
| St. Paul F. & M. | 1.85* | 31 | 32 | |
| Security, Conn. | 1.70* | 37 1/2 | 38 1/2 | |
| Springfield F. & M. | 2.00 | 46 1/2 | 47 | |
| Standard Accident | 1.60 | 42 | 44 | |
| Travelers | 14.00* | 754 | 760 | |
| U. S. F. & G. | 2.00 | 61 | 63 | |
| U. S. Fire | 150* | 37 1/2 | 39 1/2 | |

*Includes extras.

Ohio Federation Elects Tice

Herman O. Tice of Columbus was elected president of Insurance Federation of Ohio at the annual meeting. John C. Stott of Norwich, N. Y., was the principal speaker.

TRUE FUNCTIONS OF A WEEKLY INSURANCE NEWSPAPER

Early in this series of advertisements it seems wise to describe what The National Underwriter as a weekly insurance newspaper has as its objectives, what it is doing and how it is doing it.

A fully functioning trade paper is one that records in a clear and unprejudiced way the news and trends of the business it is serving.

In the insurance business, a good trade paper does not represent the companies as opposed to the agents and brokers or vice versa. It does not take the side of the large companies against the small and medium size institutions. It does not write up companies, nor does it write them down. It does not assume a position for one group or interest against another. It is not a house organ for anybody or anything. In brief, it is a newspaper and journal of comment in the true, unbiased sense.

Such a trade paper is The National Underwriter. Our policy is to print everything that should be published for the good of the business as a whole, and to keep out of our news columns anything that might be injurious to the general structure of insurance. It is a great deal more than merely a case of "all the news that's fit to print". We provide not only a complete, readable news service, but in addition, we protect the business we are serving, provoke thought, provide stimulation, and give a far reaching voice to a business that might otherwise be relatively inarticulate.

This is easy to describe, but not so easy to do. But The National Underwriter is doing it, not once in a while or on special occasions, but every week and all the time, and with a spirit and vigor that must be observable to any critical reader.

The value of what The National Underwriter is doing for the insurance business as a whole should not be underestimated. Least of all should it be underestimated by those benefiting by it the most.

The NATIONAL UNDERWRITER


Largest Circulation of Any Weekly Insurance Newspaper



Number Two of a Series

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